

GuideStone Capital Management, LLC

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March 31, 2015

This document ("Brochure") provides information about the qualifications and business practices of GuideStone Capital Management, LLC ("GSCM" or the "Adviser"). If you have any questions about the contents of this Brochure, please contact us at 214.720.4707 or Ron.Dugan@GuideStone.org. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

GSCM is a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration of an investment adviser does not imply any certain level of skill or training. The oral and written communications of an adviser provide you with information you might use to determine to hire or retain an adviser.

Additional information about GSCM also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes since our last update in May 2014.

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Item 4 – Advisory Business

GSCM is a Texas limited liability company formed on May 1, 2014. GuideStone Investment Services, a Texas non-profit corporation ("GSIS"), is GSCM's managing member. GSCM is the successor to GSIS. Prior to May 1, 2014, GSIS provided the investment advisory services to the clients, as described below, under the name GuideStone Capital Management. GSIS has been in business since 1988 and is a wholly owned subsidiary of GuideStone Financial Resources of the Southern Baptist Convention ("GSFR"). GSCM's other member is GuideStone Resource Management, Inc., a Texas corporation which is also a wholly owned subsidiary of GSFR.

GSCM provides investment advisory services to mutual funds. In addition, GSCM provides investment advisory services to non-registered funds and institutional investors. The services the Adviser offers to certain clients are as follows:

Services to Registered Funds. GSCM serves as investment adviser to each outstanding series (each a "Registered Fund" and collectively, the "Registered Funds") of GuideStone Funds, a Delaware Statutory Trust (the "Trust"), which is an open-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act").

Certain Registered Funds of the Trust invest directly in different types of fixed-income obligations, stocks or other investments to meet their investment objectives (the "Select Funds"). In its capacity as investment adviser to the Select Funds, GSCM acts as a "manager of managers." Rather than making the day-to-day investment decisions for the Select Funds, the services of other investment management firms (sub-advisers) are retained to do so. The Adviser continually monitors the performance and operations of the Registered Funds' sub-advisers and allocates the assets of each Registered Fund among the sub-advisers. In addition, it oversees each sub-adviser's adherence to its stated investment style and compliance with the relevant Fund's investment objective, policies and guidelines. GSCM recommends to the Board of Trustees of the Trust the hiring of sub-advisers and notifies the Board of Trustees of the Trust when terminating sub-advisers. GSCM also has the authority to make investment decisions for a Select Fund, which is principally used to facilitate transitions between sub-advisers.

Services to Remaining Registered Funds. The remaining Registered Funds of the Trust, the Asset Allocation Funds (the "Asset Allocation Funds"), and the Date Target Funds (the "DTFs") invest in various mixes of the Select Funds to meet specified investment strategies. GSCM allocates each Asset Allocation Fund's and DTF's assets among the Select Funds. (On a more limited basis, the Adviser also may make investment decisions for the Asset Allocation Funds and DTFs with regard to direct investments.)

1. **Asset Allocation Funds.** GSCM believes that combining investment styles and investment managers among various asset classes may reduce risk over the long term. The Asset Allocation Funds are each a "fund of funds." Each Asset Allocation Fund invests in a pre-determined mix of the Select Funds.

2. Date Target Funds (MyDestination 2005 Fund, MyDestination 2015 Fund, MyDestination 2025 Fund, MyDestination 2035 Fund, MyDestination 2045 Fund and MyDestination 2055). The DTFs are each a “fund of funds.” Each DTF invests primarily in a diversified mix of the Select Funds based on an asset allocation strategy that gradually reduces stock exposure and increases bond exposure as the targeted retirement date approaches. GSCM believes combining asset classes, investment styles and investment managers may reduce risk over the long term.

Services to Non-Registered Funds. GSCM provides investment advisory services to several non-registered funds. These funds invest directly in different types of securities and other investments in an effort to meet their stated investment objectives. Like the Registered Funds above, the Adviser serves in the role of a “manager of managers” to these non-registered funds. Rather than making the day-to-day investment decisions for these non-registered funds, GSFR has retained the services of other investment management firms to perform these functions. (On a more limited basis, the Adviser also makes investment decisions for an account of GSFR pertaining to certain futures and government securities.) As with the registered funds, GSCM continually monitors the performance and operations of the unaffiliated investment managers on behalf of GSFR.

Services to GuideStone Advisors. GSCM is an affiliated investment adviser of GuideStone Advisors (“GA”) under the common control of GSFR. The Adviser provides the following non-discretionary advisory services to GA. Namely, the Adviser develops and maintains portfolio models and the financial and risk assessment scoring methodology, which GA utilizes to appropriately select recommendations to its clients.

Services to Other Clients. GSCM provides investment management services to other institutional clients for whom it supervises and directs the investment of assets in the clients’ accounts in and among the Asset Allocation Funds, DTFs, Select Funds and/or non-registered funds in accordance with the clients’ objectives, policies and guidelines.

In addition, through consultation and discussions with a client, GSCM may assist in the development of investment objectives, policies and guidelines for that client or assistance with outsourced investment solutions. The Adviser is responsible for the management and oversight of these investment guidelines and policies and ensures the underlying portfolio maintains exposure to investments based on such guidelines and policies. In addition, GSCM monitors the account for adherence to the investment objectives of the client.

As of December 31, 2014, the Adviser managed \$15.7 billion in client assets.

Item 5 – Fees and Compensation

Registered Funds. GSCM charges each Registered Fund an investment advisory fee based on a percentage of net assets in the Fund. Fees will vary from Registered Fund to Registered Fund depending on the characteristics of the Fund. The Adviser does not have a

standard fee schedule. (Until April 30, 2015, GSCM has agreed to pay the expenses of each Select Fund, Asset Allocation Fund and DTF to the extent they exceed certain limits established for each class of shares issued by such Registered Funds. For certain Registered Funds, GSCM has agreed to pay the expenses of those Registered Funds to the extent the expenses exceed certain limits established for certain class(es) of shares issued by such Registered Funds through April 30, 2016.)

GSCM's fees are subject to review and approval annually by the Board of Trustees of the Trust. The Advisory Agreement (the "Agreement") between GSCM and the Trust with respect to the Registered Funds may be terminated at any time, without the payment of any penalty, by vote of the Board of Trustees of the Trust or by a vote of a majority of the outstanding voting securities of the Fund, upon delivery of sixty (60) days' written notice to the Adviser. The Agreement may also be terminated by GSCM at any time, without the payment of any penalty, upon delivery of sixty (60) days' written notice to the Trust. Termination of the Agreement with respect to one Registered Fund will not affect the continued validity of the Agreement or the performance thereunder with respect to any other Fund. The Agreement will also terminate automatically in the event of assignment by any party to the Agreement.

The advisory fee is computed daily by the Trust's third party fund accountant and paid monthly to GSCM. Fees are pro-rated appropriately for partial periods either at the beginning or upon termination of an Agreement.

Non-Registered Funds. GSCM does not charge fees to the non-registered funds. However, GSFR charges the non-registered funds a fee at the account level to cover expenses associated with the administrative and operational costs incurred to oversee the account. For more information on GSFR support, see Items 4 and 10 for further explanation.

Other Clients. For other clients, GSCM does not have a standard fee schedule. The fee is subject to negotiation, and the Adviser negotiates a fee with the client on a case-by-case basis, depending on the type and scope of services provided. This may be a flat fee or a fee based on assets under management. Fees are pro-rated appropriately for partial periods either at the beginning or upon termination of an agreement. Fees are billed and paid in arrears, typically quarterly. Agreements can be terminated at any time, without penalty, upon written notice as specified in the agreements. Fees are pro-rated appropriately for partial periods either at the beginning or upon termination of an agreement.

For the development, management and oversight of investment objectives, policies and guidelines for other clients, excluding the registered and non-registered funds, GSCM does not have a standard fee schedule. In certain instances, the Adviser provides other clients with services relating to the management and oversight of the asset allocation among the registered and/or non-registered funds. Fees are determined on a project basis taking into account the scope of services performed. In some cases, a fee may not be charged. If a fee is charged, it will be computed quarterly, and an invoice will be mailed to the client within thirty (30) days following the quarter end.

Type of Client	Fee
Registered Funds	As indicated in each Fund's prospectus
Non-Registered Funds of GSFR	None*
Other Clients	As negotiated with each client on a case-by-case basis; services will be charged commensurate with the project.

*GSFR receives revenue from GSCM in connection with personnel, facility and other support provided by GSFR to GSCM.

Other Types of Fees and Expenses. When clients follow GSCM's recommendations and invest in the Trust, benefits are provided to GSCM. GSCM's fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which are incurred by clients. For example, clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by sub-advisers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. (Each Fund's fees are disclosed in the Registered Funds' prospectus.) Such charges, fees and/or commissions are exclusive of and in addition to the Adviser's fee, and GSCM shall not receive any portion of these commissions, fees and costs.

Item 12 further describes the factors that GSCM and the sub-advisers consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Item 6 – Performance-Based Fees and Side-By-Side Management

GSCM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

GSCM provides investment advisory services to the Registered Funds. In addition, GSCM provides investment advisory services to: the non-registered funds; to GA, a GSCM-affiliated adviser; and institutional investors.

To open a Registered Funds institutional account, the minimum initial investment shall be in accordance with the prospectus. There are no minimums for subsequent investments or for initial purchases of additional shares in other Registered Funds.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis. For clients where GSCM acts as a manager-of-managers, GSCM does not make day-to-day investment decisions, except in order to facilitate the transition of Select Fund assets between sub-advisers when GSCM has the authority to give investment instructions. Accordingly, the Adviser does not engage in securities analyses and, therefore, does not apply any type of security analysis method to those clients' accounts.

GSCM uses qualitative and quantitative research from various internal and external sources to select and monitor the sub-advisers and other investment management firms, who provide day-to-day portfolio management for those clients' accounts. Sources of external information include, but are not limited to, Bloomberg Finance L.P., Zephyr Associates, Inc., Russell Investment Group, BlackRock Financial Management, Inc., FactSet Research Systems Inc., Morningstar Inc., NYSE Market, Inc., BNY Mellon Investment Servicing (US) Inc., RiskMetrics Group Inc. (Institutional Shareholder Services Inc.), MSCI Inc., Capital Economics (N.A.) Ltd, Crandall, Pierce & Company, eVestment Alliance, LLC and Russell Investment Management Company. These are widely used services that compile and make commercially available various types of fund and portfolio manager data.

GSCM analyzes the information gathered about potential and existing sub-advisers and other investment management firms in order to advise its clients about selection and retention of those sub-advisers or other investment management firms. Investment styles go through cycles, and there will be periods of time in which performance may not meet client objectives.

Investment Strategies. For clients where GSCM advises on the selection and/or asset allocation of investment funds (the Select Funds, Asset Allocation Funds, DTFs and/or non-registered funds using a similar approach), GSCM's strategy is to allocate investment funds based on each client's objectives, policies and guidelines, which may be developed by or in consultation with the client. GSCM's primary investment vehicles for this purpose are the Registered Funds

Risk of Loss. Investing in any type of security involves risk of loss that clients should be prepared to bear.

Each Registered Fund has its own unique risks based on its investment objective and principal investment strategies. The investment strategies employed by the Registered Funds include: (a) traditional U.S. long only equity strategies in small-to-large-sized companies with an emphasis on growth, value or a combination of growth and value stocks; (b) non-U.S. long-only equity strategies in foreign companies diversified across different industries and economic sectors (i.e., developed and emerging markets); (c) global equity strategy that invests in companies considered to be principally engaged in natural resources industries and natural resources related sectors or that supply goods, technology and services to such companies; (d) a global real estate strategy, including equity securities of real estate investment trusts (REITs); (e) a defensive market strategy

that combines U.S. long-only equity, long-short equity, options equity and convertible bond strategies to obtain investment returns consistent with the equity market but with lower volatility when compared to the equity market; (f) real assets strategy that combines an inflation-indexed fixed income strategy, a global natural resources equity strategy, a commodities strategy, a flexible income strategy and a global real estate strategy in order to seek rate of return at or above the rate of inflation over the long term; (g) flexible income strategy comprised of a diversified portfolio of below investment grade fixed-income securities which primarily include senior secured and unsecured floating rate loans made by U.S. banks and other financial institutions and high yield (below investment grade) and investment grade corporate securities located in the United States; (h) fixed income duration-oriented strategies diversified among a large number of companies across different industries; (i) a global bond strategy diversified across different industries and sectors; (j) an inflation-indexed strategy that involves debt issued by U.S. and foreign governments and their agencies and instrumentalities; and (k) a money market strategy. Additional investment strategies used by the Registered Funds may include the trading of derivatives, foreign currency hedging and leverage (i.e., 130/30 strategy). The risks related to these strategies are described in the prospectus for each Registered Fund.

However, there are some risks that can generally be applied to all mutual funds such as: (a) market risk, which is the possibility that fund prices overall will decline over short or even extended periods; (b) principal risk, which is the possibility that an investment will decline below the original or invested amount; and (c) manager risk, which is the possibility that an investment manager will fail to execute a fund's investment strategy effectively.

In addition, GSCM may advise on the utilization of the non-registered funds. Each non-registered fund has its own unique risks based on its investment objective and principal investment strategies. These risks are noted in the objectives, policies and guidelines for each non-registered fund. However, there are some risks that can generally be applied to these non-registered funds such as: (a) market risk, which is the possibility that fund prices overall will decline over short or even extended periods; (b) principal risk, which is the possibility that an investment will decline below the original or invested amount; and (c) manager risk, which is the possibility that an investment manager will fail to execute a fund's investment strategy effectively.

Socially Responsible Investing. GSCM has been engaged to implement a socially responsible investment policy on behalf of GSFR. This policy is applied to all Registered Funds and, as applicable, to the non-registered funds. As such, the registered and non-registered funds may not invest in any company that is publicly recognized, as determined by GSFR, as being in the liquor, tobacco, gambling, pornography or abortion industries, or any company whose products, services or activities are publicly recognized as being incompatible with the moral and ethical posture of GSFR. The registered and non-registered funds may not be able to take advantage of certain investment opportunities due to these restrictions and, as a result, may realize lower investment returns than would be possible without these restrictions. This policy as applied to the

Registered Funds may not be changed without the vote of a majority of the outstanding shares of the Registered Funds.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of GSCM or the integrity of its management. GSCM has no information to disclose applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

For purposes of efficiency, consistency and overall corporate governance, persons may serve in officer or other roles of GSCM and one or more affiliates. However, GSCM has a Code of Ethics that governs the activities of its personnel. Additionally, GuideStone Financial Services (“GSFS”) and the Trust, each an affiliate of GSCM, has a Code of Ethics that governs the activities of its personnel. GSCM has several financial industry affiliates.

GuideStone Financial Services. GSFS is a registered broker-dealer under common control of GSFR along with GSCM. GSCM has three managerial persons that are registered representatives of GSFS. These individuals include the President, Vice President and Investment Officer and Chief Compliance Officer. As registered representatives, these individuals are licensed to offer and sell shares of the Registered Funds.

GuideStone Funds. As referenced previously, the Trust is a registered investment company. GSCM serves as investment adviser to the Trust and provides recommendations on the hiring and termination of sub-advisers. The Adviser determines investment strategy and provides investment direction and oversight through a "manager of managers" approach. In addition, the Adviser has adopted policies and procedures to continually monitor the performance and operations of each sub-adviser and to allocate the assets among the sub-advisers. GSFR currently controls a vote of a majority of the outstanding shares of the Trust.

GuideStone Advisors. GA is an SEC-registered investment adviser under the common control of GSFR along with GSCM. GA provides personalized, system-generated retirement plan reporting via a customized, third-party software tool. The report consists of two main components: (1) Fund-specific investment advice or asset class guidance; and (2) a retirement income gap analysis. GSCM develops the asset allocation models and capital market assumptions that GA uses to generate the report. The asset allocation models determine the Fund-specific investment advice or asset class guidance that is provided; whereas, the capital market assumptions are used within the software tool's retirement income gap analysis in conducting its probability analysis. GSCM specifically developed: (1) the identified portfolio models that are allocated to the Registered Funds based on investment style; (2) the DTFs and their corresponding investment glide paths; (3) the scoring methodology used to translate retirement plan participant answers from the customized financial and risk assessment questionnaire to a portfolio model

recommendation; and (4) the capital markets assumptions used within the software tool that include the risk, return and correlation measures for various asset classes.

GuideStone Financial Resources. As described in Item 4, GSCM serves as investment adviser to accounts of its indirect owner, GSFR, and provides recommendations on the hiring and termination of investment management firms and investment strategies. The Adviser determines investment strategy and provides investment direction and oversight through a “manager of managers” approach. In addition, the Adviser has adopted policies and procedures to continually monitor the performance and operations of each investment management firm or investment and to allocate among them the assets of GSFR.

Item 11 – Code of Ethics

In providing investment advice, GSCM primarily recommends the Registered Funds for clients other than GSFR. Affiliates, and supervised persons, and other personnel of GSCM buy and sell the Registered Funds in their own accounts, but only in accordance with GSCM’s Code of Ethics.

GSCM has adopted a Code of Ethics in which GSCM recognizes and establishes that GSCM and its supervised persons owe a fiduciary duty to each client with which they engage, and they must adhere to this fiduciary duty in all of their business activities, placing the client’s interest ahead of their own. Even when a particular activity is not specifically addressed in the Code of Ethics or other parts of GSCM’s policies and procedures, supervised persons are required at all times to place the interests of the client first.

GSCM’s Code of Ethics further requires that GSCM and its supervised persons must at all times comply with applicable federal securities law, including the 1940 Act and the Advisers Act. The Adviser has also adopted policies and procedures to restrict and monitor the giving and receiving of gifts by or to GSCM officers and employees for potential conflicts of interest.

The Code of Ethics is intended to address potential conflicts of interest that can arise in connection with personal trading activities of those certain officers, directors and personnel who are involved in making securities recommendations to clients or who have access to non-public information about recommendations, or non-public information regarding client account transactions or portfolio holdings (“Access Persons”). The Code of Ethics permits Access Persons to purchase and sell securities for their own account in accordance with the provisions of the Code of Ethics pertaining to personal trading. Access Persons are generally permitted to engage in personal securities transactions subject to certain restrictions, which include among others, blackout periods, pre-clearance requirements for investments in initial public offerings (IPOs) and limited offerings. The Code of Ethics requires GSCM’s Access Persons to submit annual holdings reports and quarterly transactions report on their personal securities holdings and transactions to GSCM for review. GSCM has also adopted an Insider Trading Policy, which defines material

nonpublic information, prohibits trading on insider information in violation of the law and specifies procedures to follow in handling such information.

Under the Code of Ethics, GSCM's personnel, directors and certain employees and directors of GSFR may purchase or hold securities that are also recommended for purchase or sale by the sub-advisers to the Registered Funds. Personal security transactions by persons who are deemed to be Access Persons under Rule 204A-1 of the Advisers Act and Rule 17j-1 of the 1940 Act requires various reporting, disclosure and approval requirements. Compliance with the Code of Ethics is mandatory for all Access Persons.

The Code of Ethics also requires that personnel report any violations to GSCM's Chief Compliance Officer. Violations of the Code of Ethics are subject to sanctions imposed by the Adviser's President.

GSCM, as investment adviser to the Asset Allocation Funds and DTFs, determines the asset allocation of each Asset Allocation Fund and DTF among the Select Funds, for which the Adviser also serves as investment adviser. As a result, the Adviser may or may not be considered to be "recommending" securities to the Asset Allocation Funds and DTFs. Nonetheless, this creates a potential conflict of interest in that GSCM would be paid more advisory fees if it allocates more Asset Allocation Fund and DTF assets to the Select Funds that pay the Adviser higher advisory fees than other Select Funds. This potential conflict of interest is addressed in several ways. The Adviser's discretion in allocating assets among the Select Funds is limited, since each Asset Allocation Fund and DTF has its own pre-defined target and potential ranges used for allocating its assets among asset classes (and therefore among the Select Funds). In addition, the Adviser's allocations for the Asset Allocation Funds and DTFs will be regularly reported and subject to review by the Board of Trustees of the Trust, including those Trustees who are not "interested persons" of the Trust as defined by the 1940 Act. This will include scrutiny of the performance of the Asset Allocation Funds and DTFs against certain peer groups and other relevant benchmarks. Further, GSCM's fiduciary responsibility and internal policies do not permit GSCM to put its own interests ahead of the interests of the Asset Allocation Funds and DTFs when allocating assets.

Certain other clients engage GSCM to invest client assets in the Registered Funds in order to meet the client's investment objectives, policies and guidelines. This creates a conflict of interest for GSCM, because it is paid an investment advisory fee by the Registered Funds based on assets invested in the Registered Funds and because certain affiliates of the Adviser have an ownership interest in the Registered Funds. A conflict of interest could also arise for GSCM in selecting among the Registered Funds in which to invest a client's assets because the Adviser's fees among the Registered Funds vary. All fees paid to GSCM by the Registered Funds are disclosed to clients that hire the Adviser for these services, and clients who invest in the Registered Funds receive a copy of the prospectus of the Registered Fund(s) in which their assets are invested. Also, the Adviser's selection of Registered Funds is subject to the client's investment objectives, policies and guidelines. In

addition, the Registered Funds selected by GSCM for a client's account, and the asset allocation represented by those selections, are disclosed to the client on a regular basis.

Annually, GSCM provides copies of the Code of Ethics to its personnel. Personnel are required to acknowledge that they have received the Code of Ethics and certify that they are and will remain in compliance with it and GSCM's other policies and procedures. GSCM clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer.

Item 12 – Brokerage Practices

Selection of Brokers. In an effort to fulfill GSCM's fiduciary responsibility to its clients, policies and procedures have been adopted by GSCM in order to review and evaluate the firm's practices in connection with transaction execution. It is GSCM's goal, through an on-going, periodic process of evaluating the quality of that execution and any research GSCM receives, and their related costs, to maximize the value of investment decisions and to identify, address and disclose any conflicts of interest. Subject to applicable limitations of the federal securities laws and the requirement to seek the best net result in terms of price and execution, in selecting broker-dealers for the registered and non-registered funds, GSCM, the sub-advisers and other investment management firms consider various relevant factors, including, but not limited to: (a) the broker's execution capability; (b) the broker's perceived financial stability; (c) the broker's responsiveness to transaction requests; and (d) the broker's clearance and settlement capability.

Products, Research and Services from Brokers (Soft Dollar Practices). On behalf of each client, GSCM may, in its discretion and in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended, use brokers that provide the Adviser with research, analysis, advice and similar services to execute portfolio transactions on behalf of such clients. GSCM may pay those brokers in return for brokerage and research services a higher commission than may be paid to other brokers. When GSCM uses commissions to obtain research, analysis, advice or similar services from brokers, GSCM receives a benefit because it does not have to produce or pay for those services. However, such a practice may provide an incentive for GSCM to select a broker based on GSCM's interest in receiving these services, rather than on its client's interest in receiving most favorable execution. However, GSCM only directs a client transaction to a broker that charges higher commissions in exchange for research and other services, so long as the Adviser determines in good faith: that such commission is reasonable in terms either of the particular transaction or of the overall responsibility of the Adviser to its other clients; and that the total commissions paid by such clients will be reasonable in relation to the benefits to such clients over the long term. Such services received from brokers may include, but are not limited to, information as to the availability of securities for purchase or sale, and statistical or factual information or opinions pertaining to investments. GSCM may use research and services provided to it by brokers in servicing all its clients.

GSCM may, from time to time, receive services and products that serve both research and non-research functions. In such event, the Adviser will make a good faith determination of the anticipated research and non-research use of the product or service and will allocate brokerage only with respect to the research component.

Directed Brokerage. Subject to its obligation to seek best execution, GSCM directs trades, at the request of the Board of Trustees of the Trust, through designated brokers who have agreed to pay certain transfer agency, custody or other operating expenses that the Registered Funds would otherwise be obligated to pay. Currently, a Directed Brokerage Agreement is in place with one firm, which provides a network of commission recapture brokers. The Adviser has established informal guidelines that 20% to 25% of transactions in any of the Registered Funds and certain non-registered funds will be directed to the brokerage network, if appropriate, for each respective sub-adviser and/or Fund.

Affiliated Brokerage. In certain circumstances (*i.e.*, transition management), transactions could be made that place Registered Fund and non-registered fund orders with an affiliated broker-dealer. Portfolio orders will be placed with an affiliated broker-dealer generally only when the price charged and the services being provided compare favorably with those charged by non-affiliated broker-dealers.

Item 13 – Review of Accounts

GSCM provides services to the Registered Funds, non-registered funds and other client accounts and, as such, reviews each of the Registered Funds, non-registered funds and client accounts on a regular basis, at least annually. The Adviser's review includes a determination as to whether the Registered Funds are being managed in accordance with the 1940 Act and whether the investment objectives, policies and guidelines of the registered and non-registered fund and/or the client and the other limitations and parameters specified in the Advisory Agreement between GSCM and the Trust and/or the Adviser and the client, respectively, with respect to each fund/client, are being followed.

Reviews will typically be conducted by the following personnel:

- **President** – This position leads the activities of GSCM and works in cooperation with the senior vice president and chief investment officer in the strategic planning of global investment management matters, including the development of investment strategies, objectives and policies.
- **Vice President and Chief Investment Officer** – This position is responsible for the overall management of the investment program, including, but not limited to, overseeing and directing the activities and services related to the investment management of the registered and non-registered funds.
- **Vice President – Fund Operations** – This position is responsible for the operational aspects of the investment management program and assists in the development of the investment strategies, objectives and policies for the registered and non-registered funds and other investment services provided by GSCM.

- Portfolio Manager – This position is responsible for overseeing and directing the activities and services related to the investment management of alternative investment strategies.
- Investment Analyst(s) – This position(s) works directly with the vice president and associate portfolio manager to provide analytical support to the investment process and to coordinate certain investment management related functions.
- Chief Compliance Officer – This position is responsible for the establishment and maintenance of an adequate and effective compliance program and managing the registered and non-registered funds' compliance process in accordance with securities and regulatory rules.

Daily and monthly reviews conducted by GSCM include such areas as monitoring trades, compliance and performance of each of the registered and non-registered funds as well as other client accounts. Quarterly, the Adviser reviews each of the registered and non-registered funds as well as client accounts in additional respects, including (if applicable) placement of brokerage service, shareholder servicing payments and other matters.

At least quarterly, GSCM provides the Board of Trustees of the Trust written and verbal reports on various matters pertaining to the Registered Funds. These will typically include information about investment performance, Registered Fund structure, securities holdings, brokerage placement and commissions and any pertinent developments regarding the Registered Funds' sub-advisers. Other matters may also be addressed at the Board's request.

On a regularly scheduled basis, GSCM provides the Trustee Investment Committee of the Board of Trustees of GSFR written and verbal reports on various matters pertaining to GSFR's investments. These will typically include information about investment performance, registered and non-registered fund structure, securities holdings and any pertinent information. Other matters may also be addressed at the committee's request.

GSCM provides clients on a quarterly basis, if not more frequently, a written report showing their securities holdings and investment performance. The Adviser is available for in-person meetings with clients and/or their respective boards and/or investment committees.

On at least an annual basis, the Adviser reviews client accounts and conducts key client reviews to ensure adherence to investment objectives, policies and guidelines.

Item 14 – Client Referrals and Other Compensation

GSCM does not have any arrangements, oral or in writing, whereby it is paid cash or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. In addition, GSCM does not have any arrangements, oral or in writing, whereby it directly or indirectly compensates any person for client referrals.

Item 15 – Custody

GSCM does not maintain custody of clients' accounts; rather, these accounts are held in custody by The Northern Trust Company through omnibus accounts. However, client account statements are issued quarterly by the Trust's transfer agent and/or GSCM, which show specific client portfolio holdings, and clients are informed that they should verify their GSCM portfolio review with the account statement provided by the transfer agent.

Item 16 – Investment Discretion

As described under Item 4, GSCM provides both discretionary and nondiscretionary investment advisory services. GSCM does not make day-to-day security level investment decisions for any of the Select Funds and has only a limited investment role with regard to the Asset Allocation Funds and DTFs. However, the Adviser does have contractual authority under the applicable Advisory Agreement for each Registered Fund and other clients, without obtaining specific client consent, to determine some or all of the matters set forth in Item 12.

The Adviser's contractual authority regarding such matters is limited by the following:

- the terms of the respective Advisory Agreements;
- any specific instructions adopted by the Board of Trustees of the Trust;
- the parameters and restrictions contained in each Registered Fund's respective prospectus and Statement of Additional Information;
- lists of prohibited companies that may be developed for each Registered Fund reflecting the Registered Fund's investment restrictions; and
- applicable law.

For the non-registered funds and other clients' accounts, GSCM is limited to the contractual authority granted in each investment management agreement. Generally, the Adviser will manage each non-registered fund and other client's account pursuant to the Investment Manager Mandate, which outlines the investment objectives, policies and guidelines.

Investment objectives, policies and guidelines must be provided to GSCM in writing.

Item 17 – Voting Client Securities

GSCM has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 under the Advisers Act. These policies and procedures are intended to ensure that the Adviser administers proxy voting matters in a manner consistent with the best financial interests of its clients and in accordance with its fiduciary duties under the Advisers Act and other applicable laws and regulations. In the typical course of business, GSCM has delegated the voting of proxies of individual securities to the respective sub-advisers and/or other investment management firms retained to oversee and direct the investment of a portion of a client portfolio. Each sub-adviser and/or other investment management firm have the fiduciary responsibility for voting the proxies in a manner that is in the best interest of the client.

In limited instances, transitional securities may be held in a custodial client account and may not be overseen by a sub-adviser or an investment management firm or by an unaffiliated transition manager appointed by GSCM. In those cases, it is the Adviser's policy to ensure that clients are aware of their right to vote proxies of securities they hold if they so choose. If the clients choose not to exercise voting authority, those clients will be deemed to have delegated authority to the Adviser to vote such proxies in a manner that is consistent with the client's best interest. Clients may obtain information about how their securities were voted or a copy of GSCM's proxy voting policies and procedures, free of charge, by written request addressed to the Adviser.

Item 18 – Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about their financial condition. GSCM has no information to disclose applicable to this item.