

Portfolio Management

Henry James International Management, Inc. (HJIM) is the sub-advisor to the fund. The fund is team managed and all investment decisions are made jointly by the team:

James O'Leary, CFA
Chief Investment Officer, HJIM
30 Years Experience

Aidan O'Leary
Vice President Equities, HJIM
6 Years Experience

Fund Details

Share Class	Inception Date	Ticker	CUSIP
Investor	03/05/02	PISRX	349913830
Institutional	02/07/96	PTSCX	349913822

Sub-Advisor: Henry James International Management, Inc.

Category: Foreign Small/Mid Growth

Benchmarks: MSCI EAFE Small Cap Index;
MSCI EAFE SMID Cap Index

Dividend Frequency: Annually

Annual Portfolio Turnover: 69%

of Holdings: 95

Net Assets: \$84.20M

Management Fee: 1.00%

Objective

The fund seeks to achieve long-term growth of capital.

Overview

The fund employs a bottom-up approach that combines fundamental and quantitative analysis to build a focused portfolio of international small cap companies with strong profitability and growth potential.

- The team identifies stocks with solid profit levels and increasing growth potential using proprietary, quantitative research and then selects stocks based on traditional fundamental analysis.
- The strategy employs a top-down risk-mitigating country allocation system that serves as a roadmap to direct the portfolio toward countries perceived to be more attractive and away from countries perceived to be riskier.
- The investment team's high-conviction and lower-turnover approach capitalizes on inefficiencies in the international small cap equities asset class.

Performance (%)

	Q3	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Investor	-1.54	-3.13	4.75	10.11	6.71	7.04	8.96
Institutional	-1.45	-2.90	5.09	10.48	7.07	7.41	8.39
MSCI EAFE Small Cap Index	-0.81	-1.87	4.10	12.80	8.34	10.05	—
MSCI EAFE SMID Cap Index	0.23	-1.34	4.21	11.83	7.56	8.63	—

Returns for periods greater than one year are annualized. Total Annual Fund Operating Expenses by Share Class as of 05/01/18: Investor Class: **1.82%**; Institutional Class: **1.47%**. Under an expense limitation agreement, the investment advisor has contractually agreed to waive its management fee and/or reimburse or pay operating expenses of the fund to the extent necessary to maintain the fund's total operating expenses at 1.55% for Investor Class and 1.20% for Institutional Class shares, excluding certain expenses, such as taxes, brokerage commissions, interest, short dividend expense, any acquired fund fees and expenses, litigation and extraordinary expenses. This expense limitation agreement expires on April 30, 2019, and may only be modified or terminated by a majority vote of the independent trustees. The advisor is permitted to recover waived expenses for a period of up to three years.

The performance quoted represents past performance, does not guarantee future results and current performance may be lower or higher than the data quoted. 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. Performance data current to the most recent month-end may be obtained at www.salientfunds.com. Investment performance may reflect fee waivers in effect. In the absence of fee waivers, total return would be lower. Total return is based on NAV, assuming reinvestment of all distributions. Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Calendar Year Performance (% at NAV)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Investor	-46.60	28.89	20.69	-19.49	21.70	27.95	-8.51	12.10	-2.74	34.28
Institutional	-46.42	29.37	21.10	-19.18	22.03	28.42	-8.17	12.41	-2.38	34.80
MSCI EAFE Small Cap Index	-46.78	47.32	22.39	-15.66	20.42	29.69	-4.63	9.94	2.55	33.50
MSCI EAFE SMID Cap Index	-45.42	39.00	17.75	-14.59	19.43	26.93	-2.97	6.97	1.71	31.27

Salient International Small Cap Fund

Top 10 Holdings (%)

Security	% of Net Assets
Kinden Corp.	2.44
Jardine Lloyd Thompson Group PLC	2.30
Dalata Hotel Group PLC	2.25
Don Quijote Holdings Co., Ltd.	1.86
Teleperformance	1.80
Solutions 30 SE	1.71
Valmet OYJ	1.61
OZ Minerals, Ltd.	1.50
Aeon Delight Co., Ltd.	1.49
Link Administration Holdings, Ltd.	1.44

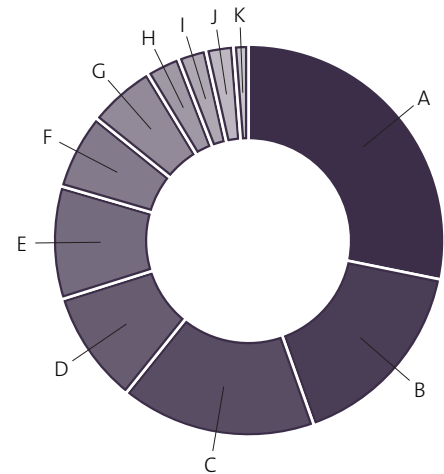
These holdings may not reflect the current or future positions in the portfolio.

Risk Characteristics

	Fund	Benchmark
Beta	0.98	1.00
Correlation	0.96	1.00
Standard Deviation	17.95	17.62

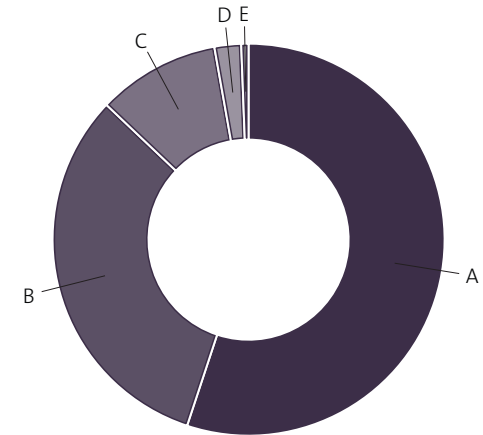
Sector Allocation (ex-cash)

A Industrials	28.18%
B Consumer Discretionary	16.40%
C Information Technology	16.20%
D Materials	9.37%
E Financials	9.35%
F Consumer Staples	6.27%
G Real Estate	5.57%
H Healthcare	2.80%
I Energy	2.34%
J Telecommunication Services	2.28%
K Utilities	1.24%



Regional Allocation (ex-cash)

A Europe	55.08%
B Japan	32.00%
C Asia ex-Japan	10.12%
D North America	2.20%
E Africa/Mideast	0.60%



These allocations may not reflect the current or future positions in the portfolio. Percentages may not add to 100% due to rounding.

You should consider the investment objectives, risks, charges and expenses of the Salient Funds carefully before investing. A prospectus with this and other information may be obtained by calling 800-999-6809 or by downloading one from www.salientfunds.com. It should be read carefully before investing.

RISKS

There are risks involved with investing, including loss of principal. Past performance does not guarantee future results, share prices will fluctuate and you may have a gain or loss when you redeem shares.

Borrowing for investment purposes creates leverage, which can increase the risk and volatility of a fund.

Derivative instruments involve risks different from those associated with investing directly in securities and may cause, among other things, increased volatility and transaction costs or a fund to lose more than the amount invested.

Investing in exchange-traded funds (ETFs) will subject a fund to substantially the same risks as those associated with the direct ownership of the securities or other property held by the ETFs.

Foreign securities, especially emerging or frontier markets, will involve additional risks including

exchange rate fluctuations, social and political instability, less liquidity, greater volatility and less regulation.

Investing in smaller companies generally will present greater investment risks, including greater price volatility, greater sensitivity to changing economic conditions and less liquidity than investing in larger, more mature companies.

MSCI EAFE Small Cap Index is an unmanaged, market-weighted index of small companies in developed markets, excluding the U.S. and Canada.

MSCI EAFE SMID Cap Index is an unmanaged, market-weighted index of small- and mid-sized companies in developed markets, excluding the U.S. and Canada. One cannot invest directly in an index.

Beta is a measure of risk that shows a fund's volatility relative to its benchmark index.

Correlation is a statistical measure of the interdependence of two random variables that range in value from -1 to +1, indicating perfect negative correlation at -1, absence of correlation at zero and perfect positive correlation at +1. Standard deviation measures the degree to which a fund's return varies from its previous returns or from the average of all similar funds.

Valuation is the process of determining the current worth

of an asset or company.

Effective November 2011, Forward Management directly manages the fund's cash portion.

In order to reduce transaction costs, Forward Management may purchase futures and ETFs to equitize cash flows into the portfolio, and may purchase high-grade, short-term fixed-income securities to serve as collateral for futures purchased.

James O'Leary has earned the right to use the Chartered Financial Analyst designation. CFA Institute marks are trademarks owned by CFA Institute.

As of August 31, 2018, Henry James International Management replaced Pictet Asset Management Limited as the sub-advisor to the Salient International Small Cap Fund.

Salient is the trade name for Salient Partners, L.P., which together with its subsidiaries provides asset management and advisory services.

Forward Management (d/b/a Salient) is the investment advisor to the Salient Funds.

The Salient Funds offered under the Forward Funds Trust are distributed by Forward Securities, LLC.

3Q2018 FSD003078 013119