



January 2016

**Forward Funds Tax Year 2015 (Unaudited)
Special Information for Tax-Exempt Investors in Forward Credit Analysis Long/Short Fund**

For shareholders of Forward Credit Analysis Long/Short Fund, 86.26% of the distributions received in 2015 are exempt from federal tax and may be exempt from state tax. This tax-exempt amount will be reported to you in box 10 on Form 1099-DIV.

Please note that 39.22% of the tax-exempt distributions are subject to the federal Alternative Minimum Tax (AMT). The table below shows the percentage of tax-exempt income derived from each state.

State	% of Total Income	State	% of Total Income	State	% of Total Income
Alabama	0.00%	Louisiana	2.25%	Oregon	0.00%
Alaska	0.00%	Maine	0.00%	Pennsylvania	1.77%
Arizona	1.93%	Maryland	0.68%	Puerto Rico	0.00%
Arkansas	0.00%	Massachusetts	0.00%	Rhode Island	1.14%
California	16.05%	Michigan	0.30%	South Carolina	0.19%
Colorado	0.00%	Minnesota	0.00%	South Dakota	0.25%
Connecticut	0.00%	Mississippi	0.00%	Tennessee	0.00%
Delaware	0.00%	Missouri	0.00%	Texas	14.23%
District of Columbia	0.00%	Montana	0.00%	Utah	0.00%
Florida	0.00%	Nebraska	0.21%	Vermont	0.00%
Georgia	1.28%	Nevada	0.00%	Virgin Islands	0.00%
Guam	0.00%	New Hampshire	0.00%	Virginia	0.00%
Hawaii	0.94%	New Jersey	7.62%	Washington	0.48%
Idaho	0.00%	New Mexico	0.00%	West Virginia	0.00%
Illinois	0.00%	New York	41.53%	Wisconsin	0.00%
Indiana	0.00%	North Carolina	0.00%	Wyoming	0.00%
Iowa	0.00%	North Dakota	0.00%		
Kansas	0.00%	Ohio	8.90%		
Kentucky	0.00%	Oklahoma	0.26%		

Salient is not a tax advisor. We suggest that you consult a tax advisor or your account representative and/or review the information on filing your taxes provided by the IRS at www.irs.gov. If you have any questions regarding this letter or your options, please contact us at 800-999-6809.

You should consider the investment objectives, risks, charges and expenses of the Forward 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.forwardinvesting.com. It should be read carefully before investing.

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.

Forward Funds are distributed by Forward Securities, LLC.

Not FDIC Insured | No Bank Guarantee | May Lose Value
© 2016 Salient. All rights reserved.

FSD001983 01252017