



February 2016

Forward Funds Tax Year 2015 (Unaudited) Foreign Taxes Paid and Foreign Source Income

The Forward Funds listed below have elected to pass through to shareholders the foreign taxes paid on income earned from foreign investments. These foreign taxes are reported in box 6 of Form 1099-DIV. As a shareholder in one of these funds, you may be able to claim a tax credit or an itemized deduction on your federal tax return for the amount of tax paid to foreign countries. You should consult your tax advisor to assist you in determining your eligibility to claim either the foreign tax credit or foreign tax deduction and for help in choosing which option is in your best interest.

Foreign Tax Credit: If you are eligible to claim a foreign tax credit, you will have to determine if you are required to file Form 1116. You may be able to claim the credit without filing Form 1116 if your 2015 share of foreign tax from all sources is \$300 or less (\$600 if filing a joint return) and your only foreign source of income is interest and dividends. If you are not required to file Form 1116, report the amount from box 6 of Form 1099-DIV on line 48 of Form 1040. The table below provides the information you will need to calculate the foreign tax credit using Form 1116.

Foreign Tax Deduction: If you choose not to claim a credit for foreign tax paid, you may take a deduction by reporting the foreign tax amount from box 6 of Form 1099-DIV on Form 1040, Schedule A.

Fund	Foreign Source Income % of Box 1a
Forward Emerging Markets Fund	99.79%
Forward Global Infrastructure Fund	87.38%
Forward International Dividend Fund	75.34%
Forward International Real Estate Fund	99.96%
Forward International Small Companies Fund	97.17%

* The Forward Global Dividend Fund closed on November 17, 2015. The Forward Select EM Dividend Fund closed on December 15, 2015.

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.

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