



February 2016

2015 Return of Capital

The four Forward Funds listed below paid return of capital (ROC) for the 2015 tax year as a portion of their ordinary income dividends.

ROC is a return from an investment that is not considered income. It occurs when some or all of the money investors have in an investment is paid back to them, thus decreasing the original cost of the investment by the amount received.

Typically, it is not considered an investment gain of any type when the amount received is not in excess of the original investment. Investors are not taxed on this return until it begins to exceed their original investment cost basis. This amount is reported in box 3 of the IRS Form 1099-DIV.

If you had a redemption in 2015 and your basis is not reported to you on your Form 1099-B, you will need to adjust your basis. For instructions on how to adjust your basis, please consult a tax advisor, review the instructions for IRS Form 1099-B and review IRS Publication 550.

If you had a redemption in 2015 and your basis is reported to you on your Form 1099-B, the basis will be adjusted prior to the release of the 1099-B. The following are the Forward Funds that had ROC for the 2015 tax year:

Fund	Return of Capital as a % of All Ordinary Dividends Received
Forward Dynamic Income Fund	8.23%
Forward Select EM Dividend Fund	9.70%
Forward Select Income Fund	5.02%
Forward Select Opportunity Fund	10.75%

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
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