



February 2018

Salient Funds Tax Year 2017 (Unaudited): Qualified Dividend Income and Corporate Dividend Exclusion

The tables below show the percentage of income generated in Salient Funds that is designated as qualifying dividends. This breakdown may have tax benefits to certain individual and corporate shareholders of Salient Funds. Please consult your tax advisor for more information.

Salient MF Trust

Fund	% of Qualifying Dividends	Corporate Dividend Exclusion % of Qualifying Dividends
Salient Adaptive Growth Fund	0.00%	0.00%
Salient MLP & Energy Infrastructure Fund	100.00%	100.00%
Salient Tactical Plus Fund	0.00%	0.00%
Salient Trend Fund	0.00%	0.00%

Forward Funds Trust

Fund	% of Qualifying Dividends	Corporate Dividend Exclusion % of Qualifying Dividends
Salient Adaptive Balanced Fund	9.99%	0.22%
Salient Adaptive Income Fund	13.06%	0.05%
Salient Adaptive US Equity Fund	17.63%	9.13%
Salient EM Corporate Debt Fund	0.00%	0.00%
Salient EM Dividend Signal Fund	0.00%	0.00%
Salient EM Infrastructure Fund	28.91%	0.00%
Salient High Yield Fund	0.00%	0.00%
Salient International Dividend Signal Fund	37.84%	0.00%
Salient International Real Estate Fund	13.96%	0.00%
Salient International Small Cap Fund	72.96%	0.00%
Salient Real Estate Fund	1.77%	0.00%
Salient Select Income Fund	3.58%	0.50%
Salient Select Opportunity Fund	68.73%	3.25%
Salient Tactical Growth Fund	17.91%	13.49%
Salient Tactical Muni & Credit Fund	0.00%	0.00%
Salient Tactical Real Estate Fund	7.25%	0.00%
Salient US Dividend Signal Fund	69.23%	58.57%

Salient Funds Tax Year 2017 (Unaudited): Percentage of Ordinary Income Dividends Derived From U.S. Government Securities

During the calendar year, certain Salient Funds invested in securities issued by the U.S. government or other federal agencies (collectively, "U.S. Government Securities"). Under federal law, the interest on U.S. Government Securities is exempt from state taxation. Certain states also exempt from state taxation the ordinary income dividends a mutual fund shareholder receives that is derived from the fund's investment in these U.S. Government Securities.

The table below provides the percentages of ordinary income dividends derived from investments in U.S. Government Securities during calendar year 2017. To determine the amount that may be exempt from state income tax, multiply the amount reported in box 1a of Form 1099-DIV by the applicable percentage below. As the requirements for exemption vary by state, we suggest that you consult a tax advisor or your state's income tax return instructions to determine your eligibility.

California, Connecticut and New York require that a mutual fund maintain certain minimum investments in U.S. Government Securities in order for the ordinary income dividends derived from these obligations to be exempt from state income tax. None of the funds listed below met these requirements for calendar year 2017.

Salient MF Trust

Fund	% of Income Derived from Direct U.S. Government Securities	% of Income Derived from Indirect U.S. Government Securities
Salient Adaptive Growth Fund	0.00%	0.00%
Salient MLP & Energy Infrastructure Fund	0.00%	0.00%
Salient Tactical Plus Fund	0.00%	0.00%
Salient Trend Fund	0.00%	0.00%

Forward Funds Trust

Fund	% of Income Derived from Direct U.S. Government Securities	% of Income Derived from Indirect U.S. Government Securities
Salient Adaptive Balanced Fund	0.05%	0.30%
Salient Adaptive Income Fund	0.23%	0.31%
Salient Adaptive US Equity Fund	0.00%	0.00%
Salient EM Corporate Debt Fund	0.00%	0.00%
Salient EM Dividend Signal Fund	0.00%	0.00%
Salient EM Infrastructure Fund	0.00%	0.00%
Salient High Yield Fund	7.12%	0.00%
Salient International Dividend Signal Fund	0.00%	1.91%
Salient International Real Estate Fund	0.00%	0.00%
Salient International Small Cap Fund	0.00%	0.00%
Salient Real Estate Fund	0.00%	0.00%
Salient Select Income Fund	0.00%	0.00%
Salient Select Opportunity Fund	0.00%	0.00%

Salient Tactical Growth Fund	0.00%	0.00%
Salient Tactical Muni & Credit Fund	1.41%	0.00%
Salient Tactical Real Estate Fund	0.00%	0.00%
Salient US Dividend Signal Fund	0.00%	0.00%

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.

This material must be accompanied or preceded by a prospectus. Please read the prospectus carefully before investing or sending money.

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.

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