



Salient Real Estate Fund

Statement Pursuant to Section 19(a) of the Investment Company Act of 1940

On June 27, 2016, Salient Real Estate Fund paid a distribution on its Investor Class, Institutional Class, Class A and Class C shares of \$0.18393, \$0.20044, \$0.18445 and \$0.16249 per share, respectively, to shareholders of record at the close of business on June 24, 2016. Under U.S. generally accepted accounting principles ("GAAP"), the fund estimates that, on a year to date adjusted basis, 18.17% of that distribution is paid from long-term capital gains and 26.95% is paid from short-term capital gains. A long-term or short-term capital gain distribution does not necessarily reflect a fund's investment performance and should not be confused with "yield," "income" or "profit." You should not draw any conclusions about the fund's investment performance from the amount of this distribution.

The amount and sources of distributions reported in this notice are only estimates in order to comply with SEC regulations and are not being provided for tax reporting purposes. The characterization of fund distributions for federal income tax purposes is different from the GAAP characterization presented above. The determination of what portion of each year's distributions constitutes ordinary income, qualifying dividend income, short- or long-term capital gains or return of capital is reported to shareholders on Form 1099-DIV, which is mailed in early 2017 for the 2016 calendar year. This notice is for informational purposes only.

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

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.

Concentration in a particular industry will involve a greater degree of risk than a more diversified portfolio.

Debt securities are subject to interest rate risk. If interest rates increase, the value of debt securities generally declines. Debt securities with longer durations tend to be more sensitive to changes in interest rates and more volatile than securities with shorter durations.

Investing in a non-diversified fund involves the risk of greater price fluctuation than a more diversified portfolio.

Investing in the real estate industry or in real estate-related securities involves the risks associated with direct ownership of real estate which include, among other things, changes in economic conditions (e.g., interest rates), the macro real estate development market, government intervention (e.g., property taxes) or environmental disasters. These risks may also affect the value of equities that service the real estate sector.

The series of funds under the Forward Funds trust ("Salient Funds") are distributed by Forward Securities, LLC.

Not FDIC Insured | No Bank Guarantee | May Lose Value

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