



January 2018

## Forward Funds Trust Tax Year 2017 (Unaudited): Special Information for Tax-Exempt Investors in Salient Tactical Muni & Credit Fund

For shareholders of Salient Tactical Muni & Credit Fund, 68.32% of the distributions received in 2017 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 20.70% 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.

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.

State	% of Total Income	State	% of Total Income	State	% of Total Income
Alabama	2.23%	Louisiana	0.52%	Oregon	0.21%
Alaska	0.00%	Maine	2.26%	Pennsylvania	1.18%
Arizona	1.45%	Maryland	1.11%	Puerto Rico	0.62%
Arkansas	0.00%	Massachusetts	2.38%	Rhode Island	1.43%
California	16.46%	Michigan	1.81%	South Carolina	0.00%
Colorado	1.73%	Minnesota	0.00%	South Dakota	0.69%
Connecticut	0.00%	Mississippi	0.00%	Tennessee	0.00%
Delaware	0.00%	Missouri	0.00%	Texas	20.86%
District of Columbia	0.00%	Montana	0.00%	Utah	0.00%
Florida	0.12%	Nebraska	0.15%	Vermont	0.00%
Georgia	2.87%	Nevada	0.00%	Virgin Islands	0.10%
Guam	0.00%	New Hampshire	0.01%	Virginia	0.30%
Hawaii	0.08%	New Jersey	9.90%	Washington	3.48%
Idaho	0.00%	New Mexico	0.02%	West Virginia	1.10%
Illinois	0.00%	New York	5.37%	Wisconsin	0.00%
Indiana	0.00%	North Carolina	0.00%	Wyoming	0.00%
Iowa	0.00%	North Dakota	0.00%		
Kansas	0.01%	Ohio	19.34%		
Kentucky	2.18%	Oklahoma	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](http://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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