

Portfolio Management

Nathan J. Rowader
Senior Portfolio Manager
20 Years Experience

Fund Details

Share Class	Ticker	CUSIP
Investor	AIAIX	34987A699
Institutional	AIAAX	34987A715
Class A	AILAX	34987A681
Class C	AICAX	34987A673

Advisor: Forward Management, LLC

Category: Tactical Allocation

Benchmark: 85% Bloomberg Barclays Global Aggregate Index/15% MSCI ACWI

Dividend Frequency: Monthly

Annual Portfolio Turnover: 140%

Net Assets: \$13.32M

Fund Terms

Minimum Investment: \$2,500

Management Fee: 0.10%

Liquidity: Daily

Expense Ratio

Share Class	Inception Date	Gross	Net
Investor	12/27/00	2.67	1.60
Institutional	12/27/00	2.17	1.10
Class A	09/29/03	2.42	1.35
Class C	12/30/02	3.17	2.10

Objective

The fund seeks high current income and some stability of principal.

Overview

The fund uses a multi-fund strategy that invests across a diverse range of actively managed traditional, alternative and global mutual fund strategies, including U.S. fixed income, international fixed income, money market, U.S. equity, frontier and emerging market, global real estate, infrastructure, dividend-oriented strategies, preferred securities and international equity.

- The fund employs a dynamic, risk-targeted approach designed to provide income to investors with a lower risk tolerance by allocating the fund's investments to income-producing assets that are exhibiting a statistically higher yield relative to other income-producing assets while also managing the volatility of the fund.
- The team's primary goals are to enhance yield and total return and to manage risk by targeting quantified volatility levels.
- To determine and adjust the portfolio's asset mix, the asset allocation team uses a systematic statistical process that is based on valuation of each asset class relative to indicators of its volatility risk.

Performance (%)

	Q2	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Investor	-1.93	-2.59	2.28	1.18	2.55	4.53	3.85
Institutional	-1.80	-2.37	2.83	1.69	3.06	5.05	4.36
Class A @NAV*	-1.87	-2.49	2.59	1.44	2.80	4.78	3.88
Class A @MOP**	-5.54	-6.14	-1.28	0.16	2.02	4.39	3.61
Class C @NAV†	-2.00	-2.80	1.83	0.67	2.04	4.01	3.14
Class C @MOP‡	-2.96	-3.75	0.86	0.67	2.04	4.01	3.14
85% Bloomberg Barclays Global Aggregate Index/15% MSCI ACWI	-2.26	-1.23	2.84	3.56	2.79	3.28	—

Returns for periods greater than one year are annualized.

* Excludes sales charge.

** Reflects effects of the fund's maximum sales charge of 3.75%.

† Excludes the effects of the 1% contingent deferred sales charge.

‡ Includes the effects of the 1% contingent deferred sales charge.

Under an expense limitation agreement, the investment advisor has contractually agreed to waive its management fee and/or reimburse or pay operating expenses of the fund to the extent necessary to maintain the fund's total operating expenses at 0.51% for Investor Class, 0.01% for Institutional Class, 0.26% for Class A and 1.01% for Class C shares, excluding certain expenses, such as taxes, brokerage commissions, interest, short dividend expense, any acquired fund fees and expenses, litigation and extraordinary expenses. This expense limitation agreement expires on April 30, 2019, and may only

be modified or terminated by a majority vote of the independent trustees. The advisor is permitted to recover waived expenses for a period of up to three years.

The performance quoted represents past performance, does not guarantee future results and current performance may be lower or higher than the data quoted. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month-end may be obtained at www.salientfunds.com. Investment performance may reflect fee waivers in effect. In the absence of fee waivers, total return would be lower. Total return is based on NAV, assuming reinvestment of all distributions. Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Salient Adaptive Income Fund

Yield (%)

	30-Day SEC Yield	30-Day SEC Yield (Unsubsidized)
Investor	5.71	4.39
Institutional	6.21	4.92
Class A	5.66	4.42
Class C	5.25	3.95

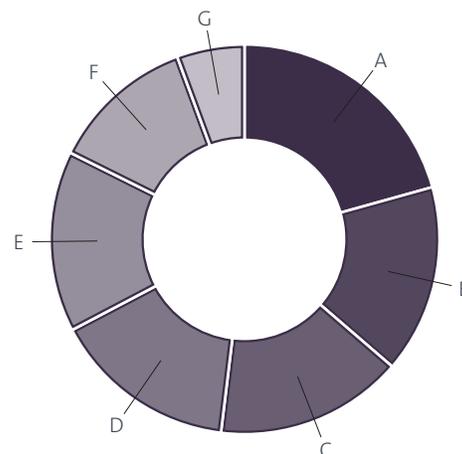
Data as of 06/30/18. Past performance does not guarantee future results.

Dividend Yield

Please see our [website](#) for the most up-to-date dividend yield.

Portfolio Allocation (ex-cash)

- A iShares® iBoxx \$ High Yield Corporate Bond ETF
20.68%
- B iShares® Emerging Markets High Yield Bond ETF
15.64%
- C Salient Select Income
15.61%
- D Salient International Dividend Signal
15.36%
- E Salient International Real Estate
15.06%
- F iShares® Core MSCI Emerging Markets ETF
12.03%
- G Salient Tactical Muni & Credit
5.62%



These allocations may not reflect the current or future positions in the portfolio. Percentages may not add to 100% due to rounding.

You should consider the investment objectives, risks, charges and expenses of the Salient 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.salientfunds.com. It should be read carefully before investing.

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.

Each allocation fund is a fund of funds that primarily invests in a mix of underlying Salient Funds and related mutual funds. Shareholders of an allocation fund indirectly bear the expenses of the underlying funds. An allocation fund's allocations may be changed at any time. Asset allocation does not assure profit or protect against risk.

Borrowing for investment purposes creates leverage, which can increase the risk and volatility of a fund. 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.

Derivative instruments involve risks different from those associated with investing directly in securities and may cause, among other things, increased volatility and transaction costs or a fund to lose more than the amount invested.

Investing in exchange-traded funds (ETFs) will subject a fund to substantially the same risks as those associated with the direct ownership of the securities or other property held by the ETFs.

Foreign securities, especially emerging or frontier markets, will involve additional risks including exchange rate fluctuations, social and political

instability, less liquidity, greater volatility and less regulation.

Investing in lower-rated ("high yield") debt securities involves special risks in addition to those associated with investments in higher-rated debt securities, including a high degree of credit risk.

Mortgage and asset-backed securities are debt instruments that are secured by interests in pools of mortgage loans or other financial instruments. Mortgage-backed securities are subject to, among other things, prepayment and extension risks.

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.

Short selling involves additional investment risks and transaction costs, and creates leverage, which can increase the risk and volatility of a fund.

Investing in smaller companies generally will present greater investment risks, including greater price volatility, greater sensitivity to changing economic conditions and less liquidity than investing in larger, more mature companies.

Actual allocation represents the fund's allocation in the underlying Salient Funds as of the date of this report. The fund's current actual allocations may differ from the allocations described in the prospectus due to market fluctuations and other factors. Forward Management has the discretion to change the fund's allocations.

The number of issues represents the issues held by the underlying Salient Funds. The holdings of the underlying funds may overlap or be substantially similar, and thus the number of issues shown does not represent the overall diversification of the allocation fund.

Adaptive Income Blended Index is a hypothetical index constructed by Forward Management, which consists of 85% Bloomberg Barclays Global Aggregate Index and 15% MSCI ACWI.

Bloomberg Barclays Global Aggregate Index represents a broad-based measure of the global investment-grade fixed income markets, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities.

MSCI ACWI (All Country World Index) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

One cannot invest directly in an index.

30-Day SEC Yield is a standardized calculation adopted by the SEC based on a 30-day period that helps investors compare funds using a consistent method of calculating yield.

30-Day SEC Yield (Unsubsidized) is a standardized calculation adopted by the SEC based on a 30-day period that helps investors compare funds using a consistent method of calculating yield. It excludes expense waivers and reimbursements.

Valuation is the process of determining the current worth of an asset or company.

Volatility is a statistical measure of the dispersion of returns for a given security or market index.

Nathan J. Rowader is a registered representative of ALPS Distributors, Inc.

Salient is the trade name for Salient Partners, L.P., which together with its subsidiaries provides asset management and advisory services.

Forward Management (d/b/a Salient) is the investment advisor to the Salient Funds.

The Salient Funds offered under the Forward Funds Trust are distributed by Forward Securities, LLC.

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