

## Portfolio Management

Effective June 9, 2015, Forward Management assumed direct management responsibility of the fund. The lead portfolio manager is David C. Hinman and he has managed the fund since February 14, 2011.

**David C. Hinman, CFA**  
Senior Portfolio Manager  
27 Years Experience

**James P. Sivco, CFA**  
Senior Portfolio Manager  
20 Years Experience

## Fund Details

Share Class	Ticker	CUSIP
Investor	FFXR	349913657
Institutional	FFXIX	349913640
Class C	FFXCX	349913665
Advisor	FFXMX	34986P242

Advisor: Forward Management, LLC

Category: Emerging Markets Bond

Benchmark: Credit Suisse Emerging Market Corporate Bond Index

Dividend Frequency: Quarterly

Annual Portfolio Turnover: 42%

# of Holdings: 85

Net Assets: \$87.79M

## Expense Ratio

Share Class	Inception Date	Gross	Net Inclusive <sup>1</sup>	Net Exclusive <sup>2</sup>
Investor	10/05/07	1.74	1.74	1.43
Institutional	10/05/07	1.39	1.39	1.08
Class C	10/05/07	2.34	2.34	2.03
Advisor	05/01/14	1.44	1.44	1.13

<sup>1</sup> Including investment-related expenses

<sup>2</sup> Excluding investment-related expenses

## Objective

The fund seeks to achieve high total return (capital appreciation and income).

## Overview

The fund seeks to capitalize on inefficiencies in the emerging market corporate bond market, focusing on U.S. dollar-denominated bonds that are trading at wide spreads and offer above-average yields.

- The investment team conducts an ongoing worldwide search for value, seeking to capitalize on the misperceptions and biases of others in a market sector that is generally underresearched.
- Country and global macroeconomic themes help frame the fund's sector and country orientation. Security-specific analysis is generally tailored to the perceived risk profile and typically involves quantitative modeling and qualitative assessments.
- The fund invests at least 80% of its assets in emerging market corporate debt. The fund can use credit default, interest rate and currency swaps to hedge.

## Performance (%)

	Q3	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Investor	4.89	8.54	6.50	1.17	2.87	—	3.72
Institutional	4.90	8.87	6.66	1.50	3.21	—	4.07
Class C @NAV <sup>†</sup>	4.72	8.00	5.69	0.55	2.24	—	3.20
Class C @MOP <sup>‡</sup>	3.72	7.00	4.72	0.55	2.24	—	3.20
Advisor	4.89	8.70	6.62	—	—	—	0.13
Credit Suisse Emerging Market Corporate Bond Index	2.79	10.95	11.85	5.62	6.55	—	—

Returns for periods greater than one year are annualized.

<sup>†</sup> Excludes the effects of the 1% contingent deferred sales charge.

<sup>‡</sup> Includes the effects of the 1% contingent deferred sales charge.

*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](http://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.*

## Calendar Year Performance (% at NAV)

	2008	2009	2010	2011	2012	2013	2014	2015
Investor	-4.91	18.43	6.47	-2.73	14.63	0.48	-0.76	-6.63
Institutional	-4.59	18.70	6.91	-2.40	15.06	0.92	-0.42	-6.43
Class C	-5.00	18.00	5.87	-3.31	13.99	-0.03	-1.44	-7.15
Advisor	—	—	—	—	—	—	—	-6.38
Credit Suisse Emerging Market Corporate Bond Index	-16.31	36.74	12.10	4.30	15.11	-1.19	3.55	1.02

Performance figures and other portfolio data shown for periods prior to February 14, 2011, do not reflect the current portfolio manager's performance or strategy.

Effective May 1, 2011, the fund's benchmark index is Credit Suisse Emerging Market Corporate Bond Index. Prior to May 1, 2011, the fund's benchmark indexes were Citi World BIG Bond ex-U.S. Index and International Fixed Income Blended Index.

# Salient EM Corporate Debt Fund

## Top 10 Holdings (%)

Security	% of Net Assets
Gol LuxCo SA, Sr. Unsec. Notes	4.84
PSOS Finance, Ltd., First Lien Notes	3.14
Trilogy International Partners LLC, Sec. Notes	3.14
Four Finance SA, Sr. Unsec. Notes	2.86
Sealane Trade Finance, Series 2015-1, Class A	2.71
Latina Offshore, Ltd., First Lien Notes	2.63
Petrobras Global Finance BV	2.60
Neptuno Finance, Ltd., First Lien Notes	2.60
SAN Miguel Industrias Pet SA, Sr. Unsec. Notes	2.53
Tencent Holdings, Ltd., Sr. Unsec. Notes	2.44

These holdings may not reflect the current or future positions in the portfolio.

## Risk Characteristics

	Fund	Benchmark
3-YR Beta	1.13	1.00
3-YR Correlation	0.86	1.00
3-YR Standard Deviation	5.78	4.40

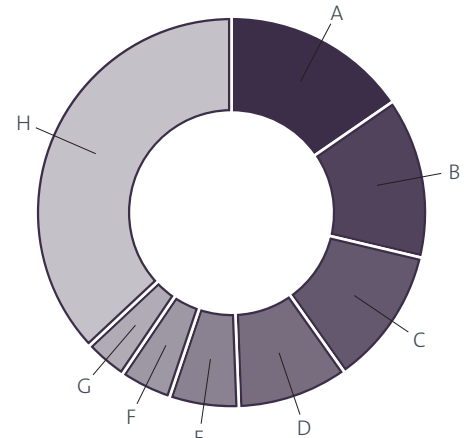
## Yield (%)

	30-Day SEC Yield
Investor	8.15
Institutional	8.55
Class C	7.54
Advisor	8.48

Data as of 09/30/16. Past performance does not guarantee future results.

## Industry Allocation (ex-cash)

A Oil & Gas	15.40%
B Banks	13.31%
C Sovereign	11.49%
D Airlines	9.20%
E Wireless Telecommunication Services	5.76%
F Diversified Financial Services	4.30%
G Food Products	3.57%
H Other	36.97%



These allocations may not reflect the current or future positions in the portfolio. Percentages may not add to 100% due to rounding. Chart does not reflect forward foreign currency hedge.

## Country Allocation (Top 10 ex-cash)

	%
Brazil	16.75
Mexico	15.95
China	8.86
Russia	8.75
Argentina	8.58
South Korea	6.26
Suprainternational	4.15
Hong Kong	3.59
Turkey	3.52
Canada	3.18

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](http://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.

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

BofA Merrill Lynch European Currency High Yield Index tracks the performance of below-investment-grade sterling, euro and euro legacy currency-denominated bonds of corporate issuers domiciled in countries having an investment-grade foreign currency long-term debt rating based on a composite of Moody's and S&P.

Citi World BIG (Broad Investment-Grade) Bond ex-U.S. Index is a market capitalization weighted index that tracks the performance of international fixed-rate bonds that have remaining maturities of one year or longer and that are rated BBB-/Baa3, or better, by S&P or Moody's, respectively. Credit Suisse Emerging Market Corporate Bond Index consists of U.S. dollar-denominated fixed-income issues from Latin America, Eastern Europe and Asia.

International Fixed Income Blended Index is a hypothetical index created by Forward, which consists of 60% Citi World BIG Bond ex-U.S. Index; 20% BofA Merrill Lynch European Currency High Yield Index; and 20% JP Morgan GBI-EM Global Diversified Composite Index.

JPMorgan GBI-EM (Government Bond Index-Emerging Markets) Global Diversified Composite Index is a comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate, domestic currency government bonds and includes only the countries that give access to their capital market to foreign investors

(excludes China, India and Thailand). 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.

Beta is a measure of risk which shows a fund's volatility relative to its benchmark index.

Correlation is a statistical measure of the interdependence of two random variables that range in value from -1 to +1, indicating perfect negative correlation at -1, absence of correlation at zero and perfect positive correlation at +1. Standard deviation measures the degree to which a fund's return varies from its previous returns or from the average of all similar funds.

Advisor Class shares are available only to fee-based advisory platforms and retirement plans via omnibus accounts.

Prior to May 1, 2016, Salient EM Corporate Debt Fund was named Forward EM Corporate Debt Fund.

David C. Hinman and James P. Sivco have earned the right to use the Chartered Financial Analyst designation. CFA Institute marks are trademarks owned by CFA Institute. 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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