

## Portfolio Management

**David L. Ruff, CFA**  
 Managing Director,  
 Senior Portfolio Manager  
 31 Years Experience

## Fund Details

Share Class	Ticker	CUSIP
Investor	FGLRX	34987A137
Institutional	KGIX	34987A129
Class A	KGIA	34987A251
Class C	KGIC	34987A236

Advisor: Forward Management, LLC

Category: Infrastructure

Benchmark: MSCI Emerging Markets Index

Dividend Frequency: Quarterly

# of Holdings: 20

Net Assets: \$15.93M

Management Fee: 0.90%

## Expense Ratio

Share Class	Inception Date	Gross	Net
Investor	05/02/11	2.17	1.55
Institutional	06/29/07	1.82	1.20
Class A	06/29/07	2.22	1.60
Class C	06/29/07	2.77	2.15

## Objective

The fund seeks total return through capital appreciation and current income.

## Overview

The fund invests in the physical structures and networks that provide necessary services to emerging market (EM) society, such as transportation and communications networks, utilities, energy storage, transportation and public service facilities, which are poised to benefit from global megatrends like demographics and urbanization.

- The fund focuses its investment opportunity set broadly across market caps, countries and industries, increasing diversification in a portfolio.
- The actively-managed strategy can help provide investors with stable cash flow streams that drive attractive dividend payments; sustainable long-term growth opportunities; and broad portfolio diversification.
- The team uses a quantitative, bottom-up process to arrive at an estimated fair value for each company. Qualitative analysis is used to examine country risk and operating history to better understand the risk/return potential of the security.

## Performance (%)

	Q2	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Investor	-4.25	-4.11	2.02	0.72	3.38	—	1.79
Institutional	-4.18	-3.91	2.35	1.06	3.77	1.32	1.35
Class A @NAV*	-4.24	-4.10	1.95	0.65	3.33	0.96	0.99
Class A @MOP**	-9.75	-9.62	-3.91	-1.31	2.12	0.36	0.44
Class C @NAV†	-4.38	-4.36	1.41	0.10	2.76	0.32	0.34
Class C @MOP‡	-5.31	-5.29	0.45	0.10	2.76	0.32	0.34
MSCI Emerging Markets Index	-7.86	-6.51	8.59	5.98	5.39	2.60	—
MSCI EM Infrastructure Capped Index	-9.64	-10.87	-2.12	-0.41	0.94	1.89	—

Returns for periods greater than one year are annualized.

\* Excludes sales charge.

\*\* Reflects effects of the fund's maximum sales charge of 5.75%.

† 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 1.55% for Investor Class, 1.20% for Institutional Class, 1.60% for Class A and 2.15% 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](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	2016	2017
Investor	—	—	—	—	14.48	11.31	-0.17	-6.60	1.20	16.92
Institutional	-42.05	29.84	8.50	-5.92	14.95	11.69	0.17	-6.22	1.53	17.38
Class A	-42.28	29.53	8.29	-6.24	14.57	11.26	-0.19	-6.75	1.11	16.92
Class C	-42.76	28.54	7.51	-6.90	13.78	10.60	-0.75	-7.24	0.57	16.26
MSCI Emerging Markets Index	-53.18	79.02	19.20	-18.17	18.63	-2.27	-1.82	-14.60	11.60	37.75
MSCI EM Infrastructure Capped Index	-48.95	52.84	17.14	-9.93	18.28	1.74	1.89	-17.55	7.22	23.32

# Salient EM Infrastructure Fund

## Top 10 Holdings (%)

Security	% of Net Assets
ENN Energy Holdings, Ltd.	5.77
Shenzhen International Holdings, Ltd.	4.90
Grupo Aeroportuario del Centro Norte SAB de CV	4.72
Guangdong Investment, Ltd.	4.42
Promotora y Operadora de Infraestructura SAB de CV	4.04
CCR SA	4.00
HKBN, Ltd.	3.99
SITC International Holdings Co., Ltd.	3.79
Tenaga Nasional Bhd	3.61
Yuexiu Transport Infrastructure, Ltd.	3.03

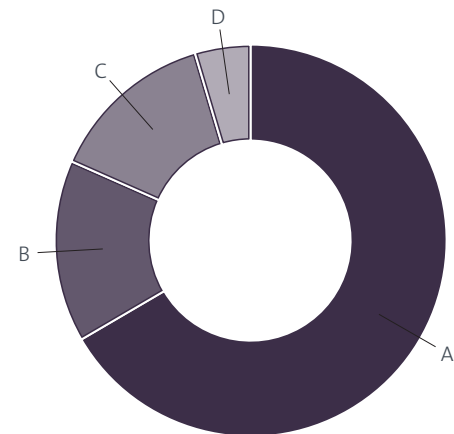
These holdings may not reflect the current or future positions in the portfolio.

## Risk Characteristics

	Fund	Benchmark
Beta	0.71	1.00
Correlation	0.92	1.00
Standard Deviation	17.51	22.67

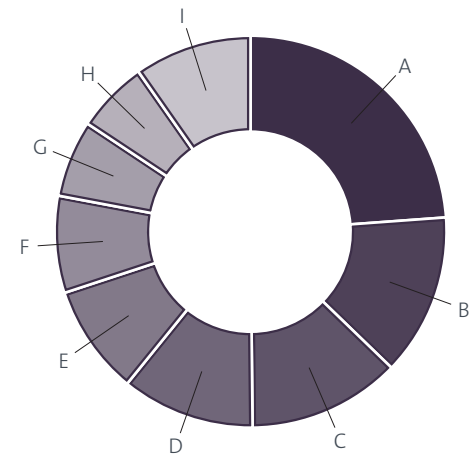
## Geographic Diversification (ex-cash)

- A Asia ex-Japan  
66.58%
- B South America  
15.05%
- C Latin America  
13.78%
- D Europe ex-UK  
4.59%



## Industry Allocation (ex-cash)

- A Transportation Infrastructure  
23.84%
- B Water Utilities  
13.38%
- C Highways & Railtracks  
12.62%
- D Diversified Telecommunications  
11.02%
- E Gas Utilities  
9.09%
- F Electric Utilities  
8.01%
- G Construction & Engineering  
6.36%
- H Marine  
5.96%
- I Other  
9.73%



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](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. 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.

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.

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.

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. Diversification does not assure profit or protect against risk.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. MSCI Emerging Markets Infrastructure Capped Index aims to capture the opportunity set of listed companies that are owners or operators of infrastructure assets. The index's sector weights are capped at one-third for

telecommunication infrastructure, one-third for utilities infrastructure and one-third for energy, transportation and social infrastructure combined.

One cannot invest directly in an index.

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

Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g., depreciation) and interest expense to pretax income.

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.

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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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