

2022 First Quarter Portfolio Review

Investment Objective

Salient Global Real Estate Fund seeks total return from both capital appreciation and current income by investing in a portfolio of diversified real estate companies in developed economies. We seek global investment opportunities in locations that we believe to have clear, enduring investment value in both international and U.S. markets—places that are centers of global trade, learning and innovation and magnets for commerce and population growth.

Portfolio Management

John D. Palmer
Portfolio Manager
19 Years Experience

Inception Date

April 28, 2006

Net Assets

\$28.54M (as of 03/31/22)

Morningstar Category

Global Real Estate

Benchmark

FTSE EPRA/NAREIT Developed Index

Fund Details

Share Class	Ticker	Inception
Investor	FFIRX	05/02/11
Institutional	KIRYX	04/28/06
Class A	KIRAX	04/28/06
Class C	KIRCX	04/28/06

Distribution Per Share (03/28/22)

Share Class	
Investor	\$0.049
Institutional	\$0.061
Class A	\$0.047
Class C	\$0.027

All or a portion of REIT distributions will be considered a return of capital (ROC). ROC is tax-deferred and reduces the shareholder's cost basis. When shares are sold and the result is a gain, it would then be taxable at the capital gains rate.

Investment Overview

The fund employs a bottom-up approach to stock selection with an emphasis on superior property location and quality, strong prospects for appreciation in property rents and values, and management's track record for adding value. The fund invests primarily in high-quality commercial and residential real estate companies located in both U.S. and non-U.S. countries.

- The rigorous, repeatable, bottom-up investment approach incorporates quantitative and qualitative analyses of companies' cash flow, assets and management.
- The team identifies securities with the most risk-adjusted appreciation potential using proprietary Discounted Cash Flow and Relative Ranking models.
- The fund adjusts to changing market fundamentals through sector and geographic rotation, employs active stock selection and leverages the team's long-term experience in real estate security portfolio management.

Performance (as of 03/31/22)

Salient Global Real Estate Fund's Institutional Class shares produced a total return of -1.77% in the first quarter of 2022. The fund outperformed its benchmark, the FTSE EPRA/NAREIT Developed Index, which returned -3.95% for the same period.

	Q1 2022	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (04/28/06)
Fund (KIRYX)	-1.77%	-1.77%	10.79%	4.41%	6.71%	5.35%	3.35%
FTSE EPRA/ NAREIT Developed Index	-3.95%	-3.95%	14.48%	5.43%	6.50%	6.91%	4.54%

Returns for periods greater than one year are annualized.

Total Annual Fund Operating Expenses as of 05/01/21: Institutional Class: **2.03%**. The fund's investment advisor is contractually obligated to waive 0.25% of the fund's management fee so that until April 30, 2022, the fund's management fee will be 0.75%. Additionally, 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 1.15% for Institutional Class, 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, 2022, 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.salientpartners.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.

Market & Performance Review

Following strong investment returns in 2021, global markets swiftly changed course during the first quarter of 2022 as investors assessed mounting risks related to slowing global trade, rising inflation, a destabilized geopolitical environment following Russia's invasion of Ukraine and the prospect of higher interest rates. Individually these risks would likely fail to impact the direction of the broader market; however, the fact that these risks are confronting investors simultaneously, coupled with the hangover effect of the Omicron coronavirus variant, led to the market's retreat in the first quarter. Domestically, these concerns were crystalized on March 16th, when the U.S. Federal Reserve increased the federal funds rate by 25 basis points – the first increases since 2018 – in an effort to reign in record inflation following years of robust government stimulus and accommodative monetary policy stemming from the COVID-19 pandemic.

With this backdrop, the fund's Institutional Class shares ended the quarter down -1.77%.¹ Despite this modest setback in performance, we are proud of the fact that the fund meaningfully outperformed its benchmark, the FTSE EPRA/NAREIT Developed Index, which closed the first quarter down -3.95%.¹ The fund benefited from both positive stock selection and country allocation given that foreign property markets, where the fund had an overweight position, were slightly stronger than domestic property markets. As points of reference, U.S. real estate investment trusts (REITs), as represented by the FTSE NAREIT Equity REITs Total Return Index, were down -3.86% during the first quarter, compared to real estate companies in developed markets outside the U.S., as represented by the FTSE EPRA/NAREIT Developed ex-U.S. Index, which posted a negative return of -3.22% during the same period.¹

It is important to note that while REITs continue to pay dividends on both common and preferred stocks, these dividend levels have compressed like virtually every asset class over the past several years. At quarter-end, the yield available from REIT common stocks in the U.S. was approximately 2.87% and the yield on real estate companies in developed markets outside the U.S. was approximately 3.50% (in both cases, pre-tax).² This yield is down approximately 200 basis points (2.00%) from just a couple years ago.² Thus, while income remains an important part of the fund's total return objective, we believe that capital appreciation will likely continue to be the biggest driver of the fund's total return.

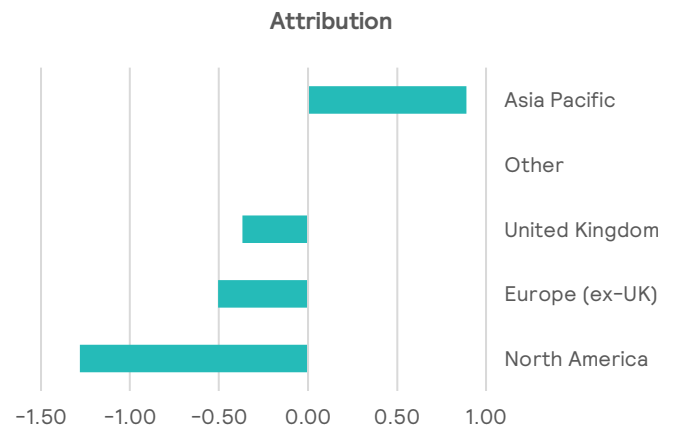
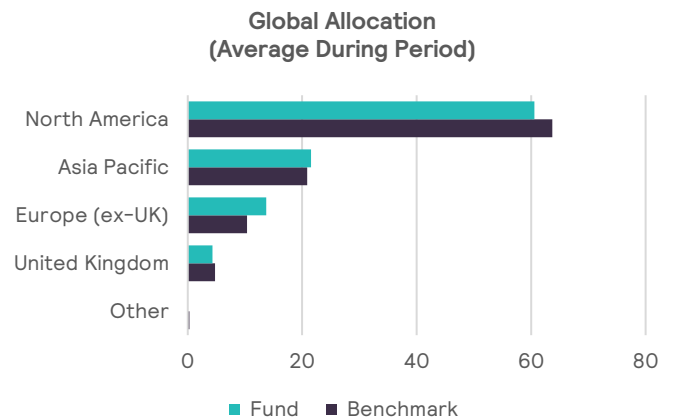
With pricing for many property stocks weakening during the first quarter, we remain mindful of the lingering impacts that the pandemic continues to have on certain property sectors, most acutely lodging, retail and office REITs. While these sectors have seen some incremental improvement over the past seven quarters, they continued to face headwinds in terms of fundamentals (occupancy, leasing, rent levels, redevelopment of vacant space, etc.) during this period of heightened uncertainty, and it is anticipated that it will likely take several additional quarters for operations to return to pre-pandemic levels. However, we continue to believe in a long view and in the opportunities that volatility may bring.

Dividend Income³

While there can be no assurance of the fund's actual future dividend payments to its shareholders, we are pleased with the opportunity for recurring cash dividend income in the context of our total return goals.

Attribution (as of 03/31/22)

The charts below show the fund's global allocation during the first quarter and how various regions affected portfolio performance. First quarter results were mixed. The fund's Asia/Pacific exposure (mainly to Singapore) was the best regional performer and added to the fund's overall performance. The fund's exposure to real estate companies in North America, Europe and the United Kingdom detracted from performance in the first quarter.



Source: Bloomberg, as of 03/31/22. These holdings may not reflect the current or future positions in the portfolio. Current or future portfolio holdings are subject to risk. Portfolio holdings are subject to change. For illustrative purposes only.

¹ Salient and Bloomberg, as of 03/31/22

² Bloomberg, as of 03/31/22

³ Dividends are not guaranteed and a company's future abilities to pay dividends may be limited. A company currently paying dividends may cease paying dividends at any time.

Investment Outlook

Despite the fund's modestly negative absolute return for the first quarter, we are proud of the attractive relative returns we generated compared to the fund's benchmark and peer groups. Further, we believe our portfolio positioning and transaction flexibility position us well for opportunities that may arise as the year progresses. Importantly, the fund's income component, in our opinion, is resilient, and we believe opportunities for gains from price performance and good stewardship decisions may well persist.

Especially in times of disruption, it's important to remember that we pursue total return from both capital appreciation and current income from a diversified portfolio of high-quality real estate companies. We believe our companies are positioned to navigate this challenging time and to exploit opportunities that may become available.

We remain confident of the fund's future and welcome any questions or comments. As always, thank you for your confidence and trust.

Performance (%) as of 03/31/22

	Q1	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Investor	-1.90	-1.90	10.40	4.04	6.34	5.00	4.31
Institutional	-1.77	-1.77	10.79	4.41	6.71	5.35	3.35
Class A @NAV*	-1.85	-1.85	10.38	4.00	6.30	4.94	3.00
Class A @MOP**	-7.48	-7.48	4.01	1.96	5.05	4.32	2.62
Class C @NAV†	-2.05	-2.05	9.71	3.42	5.67	4.33	2.34
Class C @MOP‡	-3.03	-3.03	8.71	3.42	5.67	4.33	2.34
FTSE EPRA/NAREIT Developed Index	-3.95	-3.95	14.48	5.43	6.50	6.91	4.54

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.

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Total Annual Fund Operating Expenses by Share Class as of 05/01/21: Investor Class: **2.38%**; Institutional Class: **2.03%**; Class A: **2.43%**; Class C: **2.98%**. The fund's investment advisor is contractually obligated to waive 0.25% of the fund's management fee so that until April 30, 2022, the fund's management fee will be 0.75%. Additionally, 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 1.50% for Investor Class, 1.15% for Institutional Class, 1.55% for Class A and 2.10% 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, 2022, 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.

Top 10 Contributors & Detractors by Holding (as of 03/31/22)

Top Contributors	Contribution	Top Detractors	Contribution
CapitaLand Investment Limited (CLI SP)	0.55%	American Tower Corp. (AMT US)	-0.61%
Boston Properties, Inc. (BXP US)	0.45%	Federal Realty Investment Trust (FRT US)	-0.42%
SL Green Realty Corp. (SLG US)	0.37%	Alexandria Real Estate Equities, Inc. (ARE US)	-0.41%
Farmland Partners, Inc. (FPI US)	0.32%	Americold Realty Trust (COLD US)	-0.40%
Ventas, Inc. (VTR US)	0.31%	Vonovia SE (VNA GR)	-0.36%
Mitsui Fudosan Co., Ltd. (8801 JP)	0.25%	Equinix, Inc. (EQIX US)	-0.35%
Apple Hospitality REIT, Inc. (APLE US)	0.25%	Crown Castle International Corp. (CCI US)	-0.27%
MERLIN Properties SOCIMI, S.A. (MRL SM)	0.20%	PotlatchDeltic Corp. (PCH US)	-0.26%
Mitsubishi Estate Company, Ltd. (8802 JP)	0.15%	Gecina S.A. (GFC FP)	-0.24%
DiamondRock Hospitality Company (DRH US)	0.10%	Granite Real Estate Investment Trust Stapled Units - 1 Granite RE Inc + 1 TU Granite REIT (GRT-U CN)	-0.23%

Source: Bloomberg. Past performance does not guarantee future results. These holdings may not reflect the current or future positions in the portfolio.

Top Five Contributors & Detractors by Country (as of 03/31/22)

Top Contributors	Contribution	Top Detractors	Contribution
Singapore	0.59%	United States	-0.92%
Japan	0.36%	United Kingdom	-0.37%
Spain	0.13%	Canada	-0.37%
Netherlands	0.08%	Germany	-0.36%
Australia	0.01%	France	-0.24%

Source: Bloomberg. Past performance does not guarantee future results. These holdings may not reflect the current or future positions in the portfolio.

You should consider the investment objectives, risks, charges and expenses of any mutual fund carefully before investing. The prospectus contains this and other information and is available, along with information about the series of funds under the Forward Funds trust ("Salient Funds"), by downloading one from www.salientpartners.com or calling 800-999-6809. The prospectus should be read carefully before investing.

The series of funds under the Forward Funds trust ("Salient Funds") are distributed by Forward Securities, LLC. Forward Management, LLC d/b/a Salient is the investment advisor to the Salient Funds.

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.

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.

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.

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.

There is no guarantee the companies in our portfolio will continue to pay dividends.

Definition of Terms

Basis point (bps) is a unit of measure that is equal to 1/100th of 1% and used to denote a change in the value or rate of a financial instrument.

Cash flow is a revenue or expense stream that changes a cash account over a given period.

Discounted cash flow (DCF) is a valuation method used to estimate the attractiveness of an investment opportunity.

Dividend is a distribution of a portion of a company's earnings issued to shareholders in the form of cash payments, shares of stock or other property.

Federal funds rate is the interest rate at which a depository institution lends immediately available funds to another depository institution overnight.

Federal Reserve is the central bank of the United States that is responsible for regulating the U.S. monetary and financial systems.

FTSE EPRA/NAREIT Developed Index is designed to track the performance of listed real estate companies and REITs worldwide.

FTSE EPRA/NAREIT Developed ex-US Index is designed to track the performance of listed real estate companies and REITs worldwide, excluding U.S. companies.

FTSE NAREIT Equity REITs Index is representative of the tax-qualified REITs listed on the New York Stock Exchange, the American Stock Exchange and the NASDAQ National Market, excluding timber and infrastructure REITs.

Inflation is the rate at which the general level of prices for goods and services is rising, and, subsequently, purchasing power is falling.

Real estate investment trust (REIT) is a security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages.

Return of capital (ROC) is a payment, or return, received from an investment that is not considered a taxable event and is not taxed as income.

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

Yield is the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost or on the U.S. government's debt obligations.

One cannot invest directly in an index.

Not FDIC Insured | No Bank Guarantee | May Lose Value

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