

## Portfolio Management

**Joel S. Beam**  
 Managing Director,  
 Senior Portfolio Manager  
 24 Years Experience

## Fund Details

Share Class	Ticker	CUSIP
Investor	FFREX	349913707
Institutional	FPREX	349913525
Class A	KREAX	34987A517
Class C	KRECX	34987A491

Advisor: Forward Management, LLC

Category: Real Estate

Benchmarks: FTSE NAREIT Equity REITs Index; S&P 500 Index

Dividend Frequency: Quarterly

Annual Portfolio Turnover: 60%

# of Holdings: 42

Net Assets: \$15.95M

Management Fee: 0.85%

## Expense Ratio

Share Class	Inception Date	Gross	Net
Investor	05/10/99	1.96	1.50
Institutional	05/01/08	1.61	1.15
Class A	06/12/09	2.01	1.55
Class C	06/12/09	2.56	2.10

## Objective

The fund seeks income with capital appreciation as a secondary goal.

## Overview

The fund invests in high-quality U.S. companies that are expected to generate superior real estate driven returns over longer time periods and focuses on real estate companies which can be identified as having attractive cash flow, assets and management characteristics.

- Primarily invests in NYSE-listed real estate companies, including real estate investment trusts (REITs).
- The portfolio employs a rigorous, repeatable, bottom-up investment approach that incorporates quantitative and qualitative analyses of companies' cash flow, assets and management.
- Security selection is guided by the comparison of current market prices for securities relative to their estimated fair value in a process conducted by Salient, in which fair value is estimated based on both a discounted cash flow approach and a net asset value approach.

## Performance (%)

	Q2	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Investor	8.21	-4.42	-6.85	3.02	5.06	4.93	7.91
Institutional	8.20	-4.31	-6.54	3.36	5.45	5.22	3.90
Class A @NAV*	8.12	-4.46	-6.94	2.95	5.01	—	12.35
Class A @MOP**	1.86	-9.99	-12.29	0.94	3.78	—	11.61
Class C @NAV†	8.05	-4.78	-7.43	2.39	4.43	—	11.65
Class C @MOP‡	7.05	-5.73	-8.30	2.39	4.43	—	11.65
FTSE NAREIT Equity REITs Index	10.04	1.02	3.50	8.06	8.31	7.94	—
S&P 500 Index	3.43	2.65	14.37	11.93	13.42	10.17	—

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 1.50% 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, 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	-39.88	22.44	25.40	3.84	18.69	2.47	28.30	0.91	12.03	-3.92
Institutional	—	21.62	25.91	4.25	19.28	2.81	28.77	1.39	12.44	-3.63
Class A	—	—	25.49	4.01	18.83	2.44	28.29	0.87	12.00	-4.02
Class C	—	—	24.71	3.21	18.04	1.79	27.57	0.36	11.34	-4.46
FTSE NAREIT Equity REITs Index	-37.73	27.99	27.96	8.29	18.06	2.47	30.14	3.20	8.52	5.23
S&P 500 Index	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83

Performance figures and other portfolio data shown for periods prior to March 1, 2010, do not reflect the current manager's performance or strategy.

# Salient Real Estate Fund

## Top 10 Holdings (%)

Security	% of Net Assets
United States Treasury Bill	5.01
Prologis, Inc.	4.41
Simon Property Group, Inc.	3.84
Digital Realty Trust, Inc.	3.57
Public Storage	3.56
Sabra Health Care REIT, Inc.	3.38
American Assets Trust, Inc.	3.26
Paramount Group, Inc.	3.20
AvalonBay Communities, Inc.	3.02
Jernigan Capital, Inc.	2.96

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

## Risk Characteristics

	Fund	Benchmark
Beta	0.89	1.00
Correlation	0.98	1.00
Standard Deviation	18.71	20.68

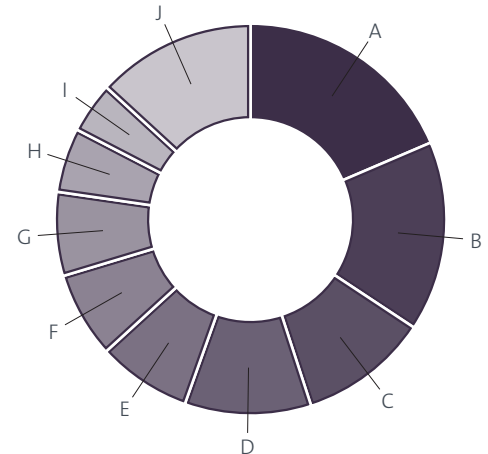
## Yield (%)

	30-Day SEC Yield (REIT ROC Adjusted)
Investor	1.66
Institutional	1.89
Class A	1.50
Class C	0.91

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

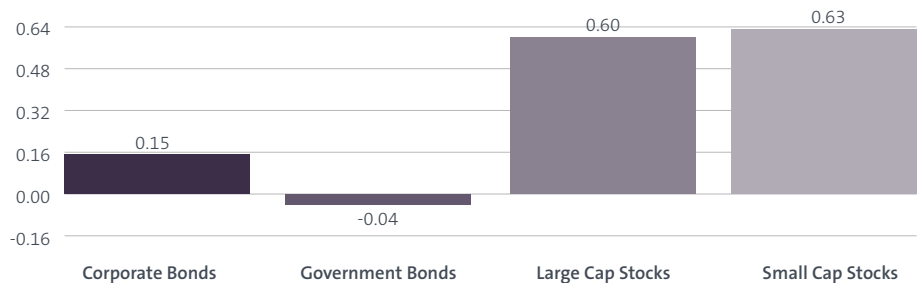
## Property Diversification (ex-cash)

A Retail	18.57%
B Office	15.72%
C Apartments	10.70%
D Diversified	10.46%
E Healthcare	7.78%
F Warehouse/Industrial	7.12%
G Storage	6.93%
H Government	5.33%
I Mortgage	4.21%
J Other	13.18%



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

## Asset Class Correlation



Source: Morningstar. Data since fund inception (05/10/99 through 06/30/18).

Corporate Bonds- Citi U.S. BIG Index; Government Bonds- Bloomberg Barclays U.S. Treasury Index; Large Cap Stocks- S&P 500 Index; Small Cap Stocks- Russell 2000 Index

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.

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. 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.

Bloomberg Barclays U.S. Treasury Index measures the public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Citi U.S. Broad Investment-Grade Bond Index is an unmanaged index generally representative of the performance of investment-grade corporate and U.S. government bonds.

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.

Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The Russell 3000 Index represents approximately 98% of the investable U.S. equity market.

S&P 500 Index is an unmanaged index of 500 common stocks chosen to reflect the industries in the U.S. economy. One cannot invest directly in an index.

30-Day SEC Yield (REIT ROC Adjusted) 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 has been adjusted for REIT investment return of capital.

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.

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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