

Portfolio Management

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

Fund Details

Share Class	Ticker	CUSIP
Investor	FSORX	34986P358
Institutional	FSOTX	34986P341
Class A	FSONX	34986P333
Class C	FSOCX	34986P325

Advisor: Forward Management, LLC

Category: Allocation — 50% to 70% Equity

Benchmarks: MSCI World Index; ICE BofAML Fixed Rate Preferred Securities Index

Dividend Frequency: Quarterly

of Holdings: 16

Net Assets: \$3.48M

Management Fee: 1.00%

Expense Ratio

Share Class	Inception Date	Gross	Net
Investor	06/02/14	3.80	2.49
Institutional	07/31/13	3.45	2.14
Class A	07/31/13	3.95	2.64
Class C	02/18/14	4.40	3.09

Objective

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

Overview

The strategy employs a value-focused, outcome-oriented approach and is led by Joel S. Beam, portfolio manager of the Salient Select Income Fund.

- The fund leverages the team's unique capabilities in preferred and senior securities, real estate and infrastructure and invests across the capital structure of asset-rich companies.
- The fund seeks to provide investors with a substantial income component within the context of total return, with a deep focus on long-term value.
- The portfolio is positioned to react as the ground continues to shift in fixed income and equity markets and taps into recovering and growing economies, both in the U.S. and abroad.

Performance (%)

	Q2	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Investor	2.00	-3.08	-3.58	1.05	—	—	0.43
Institutional	2.11	-2.94	-3.23	1.40	—	—	3.91
Class A @NAV*	1.95	-3.18	-3.73	0.89	—	—	3.39
Class A @MOP**	-3.91	-8.74	-9.26	-1.08	—	—	2.15
Class C @NAV†	1.87	-3.37	-4.17	0.42	—	—	1.29
Class C @MOP‡	0.87	-4.34	-5.12	0.42	—	—	1.29
MSCI World Index	1.93	0.76	11.70	9.10	—	—	—
ICE BofAML Fixed Rate Preferred Securities Index	1.04	0.04	1.75	6.01	—	—	—

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 1.58% for Investor Class, 1.23% for Institutional Class, 1.73% for Class A and 2.18% 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.

Calendar Year Performance (% at NAV)

	2014	2015	2016	2017
Investor	—	-11.30	16.30	5.66
Institutional	7.43	-11.01	16.68	6.04
Class A	6.89	-11.45	16.08	5.51
Class C	—	-11.84	15.53	5.02
MSCI World Index	5.50	-0.32	8.15	23.07
ICE BofAML Fixed Rate Preferred Securities Index	15.44	7.57	2.32	10.58

Salient Select Opportunity Fund

Top 10 Holdings (%)

Security	% of Net Assets
Berkshire Hathaway, Inc. (Common Stock)	8.05
Belmond, Ltd. (Common Stock)	7.69
Ferrovial SA (Common Stock)	6.79
American Homes 4 Rent (Common Stock)	6.38
Colony Capital, Inc., Class A (Common Stock)	6.37
BankUnited, Inc. (Common Stock)	6.34
Exantas Capital Corp (Common Stock)	6.24
Blackstone Group LP (Limited Partnerships)	5.92
Commerzbank AG (Common Stock)	5.24
Chipotle Mexican Grill, Inc. (Common Stock)	4.65

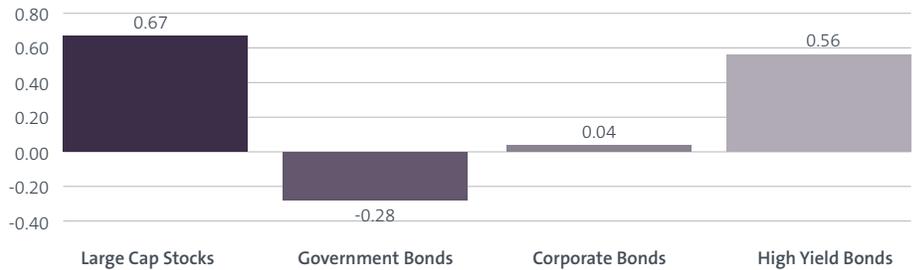
These holdings may not reflect the current or future positions in the portfolio.

Yield (%)

	30-Day SEC Yield	30-Day SEC Yield (Unsubsidized)
Investor	1.86	-0.60
Institutional	2.02	-0.40
Class A	1.22	-1.06
Class C	0.75	-1.65

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

Asset Class Correlation



Source: Morningstar. Data since fund inception (07/31/13 through 06/30/18).

Large Cap Stocks- S&P 500 Index; Government Bonds- Bloomberg Barclays U.S. Treasury Index; Corporate Bonds- Citi U.S. BIG Bond Index; High Yield Bonds- ICE BofAML U.S. High Yield Master II 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. 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.

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 a non-diversified fund involves the risk of greater price fluctuation than a more diversified portfolio.

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.

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.

ICE BofAML Fixed Rate Preferred Securities Index is a capitalization-weighted index of preferred stock issues that is generally representative of the market for preferred securities.

ICE BofAML U.S. High Yield Master II Index tracks the performance of below-investment grade U.S. dollar-

denominated corporate bonds issued in the U.S. domestic market.

MSCI World Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed markets. 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 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.

Preferred and hybrid securities are securities that have characteristics of both equity and debt securities.

Salient Select Income Fund seeks high current income and potential for modest long-term growth of capital.

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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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