

Philosophy

The Salient SmallMid Core investment philosophy is based upon the belief that superior investment results can be achieved by constructing a core portfolio of niche focused, small- and mid-cap companies.

Investment Process

The investment team strives to achieve superior returns by selecting companies with positive current earnings and reasonable valuations. Typically, investments include companies focused on one business that routinely pay cash dividends.

Buy Process

- Quantitative screen to identify growth and value companies that meet specified hurdles, such as leverage and profitability
- Qualitative review of eligible companies looking for niche dominance, high-quality management teams and well-defined growth strategies
- Fundamental research on resulting universe to identify companies with strong financials and identifiable sustained competitive advantages
- Construct concentrated, relatively sector-neutral portfolio of growth and value companies and manage risk

Sell Discipline

A stock may be sold for any of the following reasons:

- Allocation constraint has been reached
- Fundamental change in investment catalyst
- Underperformance relative to industry
- Deteriorating fundamentals
- Better opportunities

Performance (%)

	Q2 2018*	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception†
SmallMid Core - Gross‡	3.94	9.94	23.69	16.24	17.07	13.75	11.82
SmallMid Core - Net§	3.81	9.58	22.88	15.06	15.66	12.50	10.94
Russell 2500	5.71	5.46	16.26	10.31	12.29	10.74	8.76

STANDARD DEVIATION

SmallMid Core	—	—	—	10.32	11.15	15.34	17.15
Russell 2500	—	—	—	12.12	12.02	18.32	18.23

Periods greater than one year are annualized.

* Returns are preliminary.

† Inception Date – 04/01/98

‡ Shown as supplemental information. Please see important disclosure on reverse side.

§ Starting April 1, 2010, net returns are calculated using actual management fees and trading costs. Prior to April 1, 2010, net returns are calculated using the highest management and trading fee of 2.00%, applied monthly. Prior to July 1, 2008, net returns are calculated using actual commission costs and assume a management fee of 0.50%, applied monthly.

Portfolio Characteristics

Characteristics	Portfolio	Russell 2500*
Number of Stocks	33	2500
Dividend Yield	1.2%	1.5%
Price-Earnings	19.5	20.1
Price-Book	3.7	2.6
Price-Cash Flow	17.8	14.5
Weighted Avg Market Cap	\$6.8B	\$4.9B

Sources: Bloomberg and www.Russell.com

* Based on Russell 2500 Index Fund data. The manager believes that this is an appropriate proxy for the benchmark given its overall portfolio composition, but the holdings materially differ and will have different levels of volatility.

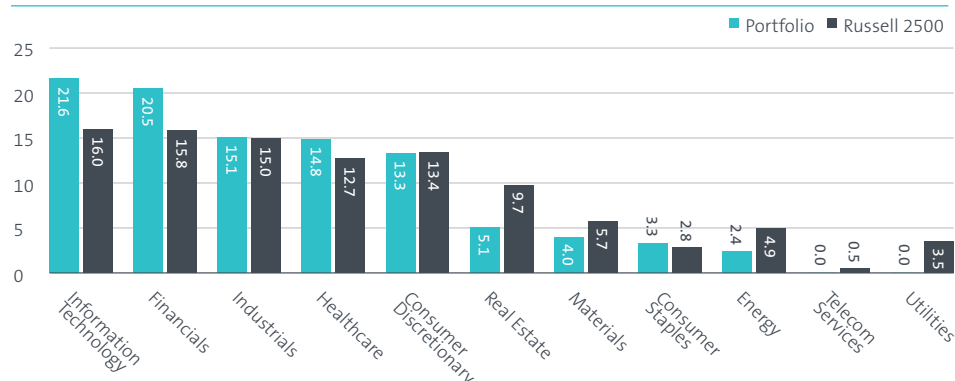
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Top 10 Holdings (%)

Security	% of Net Assets
Pool Corp.	5.48
Worldpay Inc. - Class A	4.49
Evercore Inc. - A	4.23
Wex Inc.	4.15
Broadridge Financial Solutions	4.12
PRA Health Sciences Inc.	4.10
Neenah Inc.	3.76
Robert Half Intl Inc.	3.71
Veeva Systems Inc. - Class A	3.68
Virtu Financial Inc. - Class A	3.65

Portfolio holdings are subject to change at any time. Shown as supplemental information. Please see important disclosures on the reverse side.

Sector Allocation (% ex-cash)



These allocations may not reflect the current or future holdings of the portfolio. Shown as supplemental information. Please see important disclosures on the reverse side. Percentages may not add up to 100% due to rounding.

SmallMid Core Portfolio

Calendar Year Returns (%)

	Portfolio Gross*	Portfolio Net†	Russell 2500
2017	22.59	21.70	16.83
2016	17.12	15.54	17.60
2015	6.90	5.46	-2.90
2014	7.54	5.90	7.06
2013	33.36	31.44	36.80
2012	11.92	10.78	17.88
2011	0.31	-0.72	-2.51
2010	28.97	26.73	26.71
2009	38.88	37.56	34.39
2008	-30.40	-30.89	-36.79

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Inception Date – 04/01/98

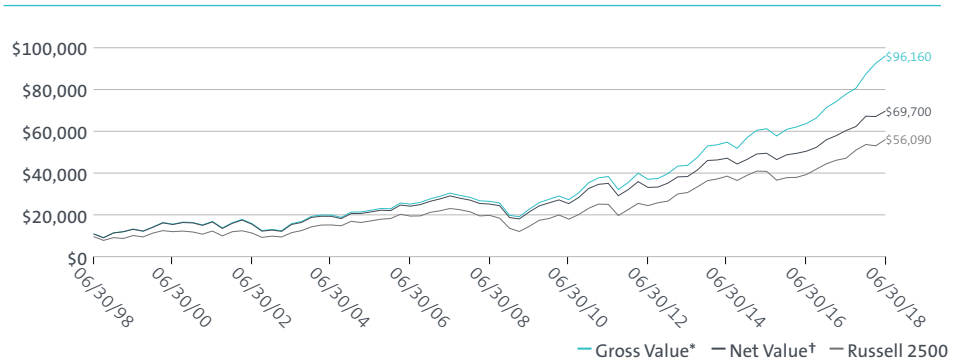
Risk Management

The Salient SmallMid Core portfolio seeks to minimize risk by maintaining a well diversified portfolio of primarily profitable small- and mid-cap companies. To minimize liquidity risk, we prefer to avoid companies with a high percentage of institutional ownership and favor companies with an average daily trading value of over \$500K. The portfolio is monitored to evaluate the fundamental conditions of its holdings and is typically diversified across seven to eight sectors. The result is a concentrated portfolio of 25 to 40 niche companies.

Portfolio Management

PORTFOLIO TEAM	YRS EXPERIENCE
Paul Broughton, CFA, Portfolio Manager	22
Randall T. Coleman, CFA, Portfolio Manager	26
David L. Ruff, CFA, Senior Portfolio Manager	31

Growth of \$10K



Source: Forward Management, LLC. Calculated using quarterly returns.

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The performance quoted represents past performance, does not guarantee future results and current performance may be lower or higher than the data quoted. The performance quoted reflects the reinvestment of dividends and other earnings.

Risk/Analysis

	Alpha	Beta	Upside Capture	Downside Capture	Tracking Error
3 Year	7.36	0.77	98.41	50.77	5.28
5 Year	5.86	0.85	101.24	66.03	4.71
10 Year	4.51	0.80	90.75	72.54	5.74
Since Inception*	3.66	0.87	95.26	80.26	6.90

Source: Morningstar. Gross statistics are measured against the Russell 2500 Index.

* Inception Date – 04/01/98

Information/statistics in each of these sections is current as of 06/30/18.

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The SmallMid Core composite seeks growth in capital by investing in equity securities of companies that are primarily in the Russell 2500 Index with positive characteristics for profitability, growth and cash flow. For comparison purposes the composite's primary benchmark is the Russell 2500 Index. The Russell 2500 Index measures the performance of the 2500 smallest companies in the Russell 3000 Index. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small- and mid-cap U.S. equity market. The SmallMid Core composite was created on July 1, 1998.

Salient is the trade name for Salient Partners, LP, which together with its subsidiaries provides asset management and advisory services. Salient claims compliance with the Global Investment Performance Standards (GIPS®). Please call 800-

994-0755 to obtain a compliant presentation and/or a list of composite descriptions.

Results are based on fully discretionary accounts under management in this style. The U.S. dollar is the currency used to express performance.

Beginning April 1, 2010, the composite contains wrap/bundled fee accounts, and gross returns are shown as supplemental information as transaction costs have not been reduced for wrap accounts. Prior to April 1, 2010, the composite contained only commission accounts, and gross returns are shown after transaction costs but before management fees.

Returns include the reinvestment of all income. Past performance does not guarantee future results. For the period between April 1, 1998, to August 1, 2008,

David Ruff and Randy Coleman were affiliated with a prior firm. During this time the portfolio managers were the only individuals responsible for selecting the securities to buy and sell. Forward acquired the assets and portfolio managers from Berkeley Capital Management, LLC. Such performance should not be interpreted as the actual historical performance of Forward.

David Ruff, Randall Coleman and Paul Broughton have earned the right to use the Chartered Financial Analyst designation. CFA Institute marks are trademarks owned by the CFA Institute.

Performance shown prior to June 2015 was achieved by the portfolio management team at Forward Management, LLC ("Forward"). Forward was acquired by Salient in June 2015.