

Portfolio Management

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 24 Years Experience

Fund Details

Share Class	Ticker	CUSIP
Investor	FFSRX	34987A152
Institutional	KSRYX	34987A145
Class A	KSRAX	34987A285
Class C	KSRCX	34987A269

Advisor: Forward Management, LLC

Category: Real Estate

Benchmarks: FTSE NAREIT Composite Index;
 FTSE NAREIT Equity REITs Index

Dividend Frequency: Quarterly

Annual Portfolio Turnover: 59%

of Holdings: 46

Net Assets: \$31.16M

Management Fee: 1.00%

Expense Ratio

Share Class	Inception Date	Gross	Net
Investor	05/02/11	2.61	2.61
Institutional	04/28/06	2.26	2.26
Class A	09/15/99	2.66	2.66
Class C	09/15/99	3.21	3.21

Objective

The fund seeks total return through a combination of high current income relative to equity investment alternatives, plus long-term growth of capital.

Overview

The fund offers a value-driven approach to real estate securities investment, providing targeted exposure to high-quality companies. In addition to investing in equities and senior securities, the fund has the flexibility to invest in niche sectors of the real estate securities market and may invest in both U.S. and non-U.S. real estate securities, as well as in companies located in emerging and frontier market countries.

- The portfolio employs a rigorous, repeatable, bottom-up investment approach that 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 experience in real estate security portfolio management.
- The fund may engage in transactions designed to hedge against changes in the price of portfolio securities, such as purchasing put options, selling securities short or writing covered call options.

Performance (%)

	Q2	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Investor	7.47	-1.51	-4.69	2.98	4.77	—	6.25
Institutional	7.52	-1.36	-4.37	3.34	5.13	4.62	2.57
Class A @NAV*	7.45	-1.55	-4.75	2.93	4.71	4.00	9.10
Class A @MOP**	1.28	-7.23	-10.22	0.92	3.47	3.39	8.75
Class C @NAV†	7.28	-1.84	-5.27	2.36	4.13	3.35	8.35
Class C @MOP‡	6.28	-2.81	-6.19	2.36	4.13	3.35	8.35
FTSE NAREIT Composite Index	8.27	1.22	4.87	9.30	8.86	8.28	—
FTSE NAREIT Equity REITs Index	10.04	1.02	3.50	8.06	8.31	7.94	—

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.

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Investor	—	—	—	—	22.98	2.37	24.01	-1.71	16.03	-5.23
Institutional	-57.68	48.57	33.67	1.10	23.54	2.73	24.44	-1.39	16.42	-4.88
Class A	-58.78	48.18	33.34	0.82	23.07	2.30	23.94	-1.78	15.95	-5.24
Class C	-59.09	47.02	32.35	0.04	22.30	1.73	23.22	-2.31	15.32	-5.76
FTSE NAREIT Composite Index	-37.84	27.80	27.56	7.30	19.73	2.34	27.23	2.05	9.38	9.29
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

Salient Tactical Real Estate Fund

Top 10 Holdings (%)

Security	% of Net Assets
Equity Residential	3.31
Digital Realty Trust, Inc.	3.26
United States Treasury Bill	3.21
Paramount Group, Inc.	3.04
American Assets Trust, Inc.	3.04
AvalonBay Communities, Inc.	2.98
Sabra Health Care REIT, Inc.	2.78
Prologis, Inc.	2.72
Retail Opportunity Investments Corp.	2.53
Simon Property Group, Inc.	2.46

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

Risk Characteristics

	Fund	Benchmark
Beta	0.97	1.00
Correlation	0.94	1.00
Standard Deviation	20.45	19.78

Yield (%)

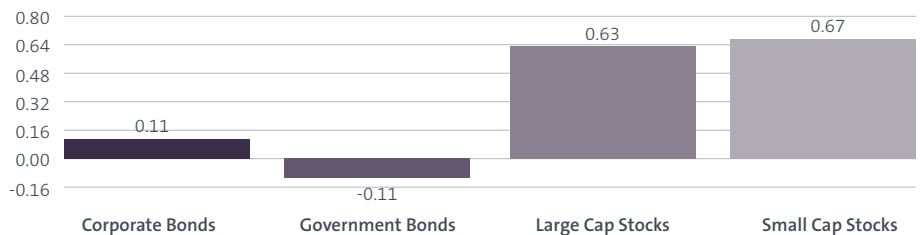
	30-Day SEC Yield (REIT ROC Adjusted)
Investor	1.25
Institutional	1.52
Class A	1.15
Class C	0.50

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

Sector Diversification (ex-cash)

Sector	% Long	% Short	Total Exposure	Net Exposure
Retail	18.37	0.00	18.37	18.37
Office	16.89	0.00	16.89	16.89
Apartments	12.22	0.00	12.22	12.22
Diversified	11.43	0.00	11.43	11.43
Healthcare	8.37	0.00	8.37	8.37
Mortgage	5.84	0.00	5.84	5.84
Warehouse/Industrial	5.75	0.00	5.75	5.75
Storage	5.48	0.00	5.48	5.48
Specialized	4.90	0.00	4.90	4.90
Hotels	4.41	0.00	4.41	4.41
IT Services	4.27	0.00	4.27	4.27
Government	3.86	0.00	3.86	3.86
Residential	2.87	0.00	2.87	2.87
Real Estate Operating/Development	2.50	0.00	2.50	2.50
Hotels, Restaurants & Leisure	2.27	0.00	2.27	2.27
Exchange-Traded Funds	0.00	-9.43	9.43	-9.43

Asset Class Correlation



Source: Morningstar. Data since fund inception (09/15/99 through 06/30/18).

Corporate Bonds- Citi U.S. BIG Bond 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. 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. 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.

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 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. Alternative strategies typically are subject to increased risk and loss of principal. Consequently, investments such as mutual funds which focus on alternative strategies are not suitable for all investors. Diversification does not assure profit or protect against risk.

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 Composite Index is an unmanaged index consisting of approximately 200 Real Estate Investment Trust stocks.

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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