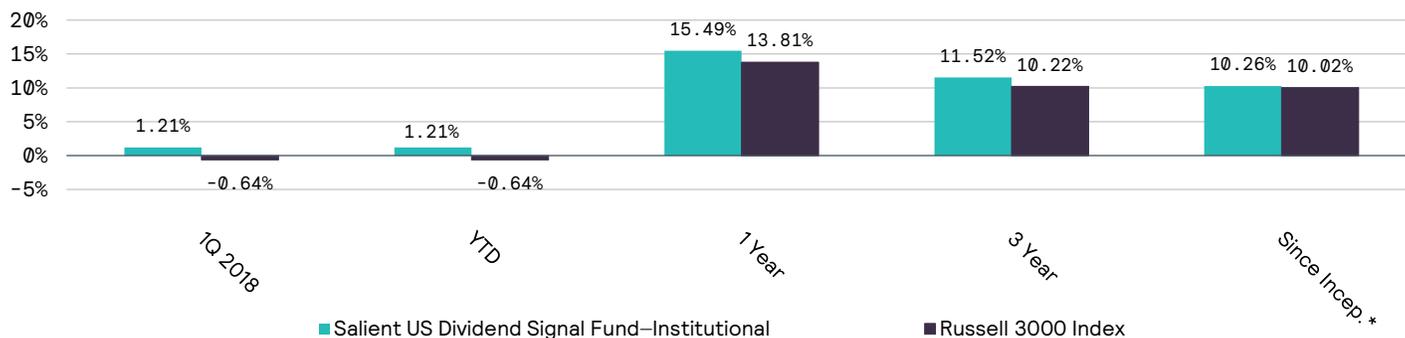


2018 First Quarter Portfolio Review

Fund Overview

Salient US Dividend Signal Fund seeks total return while exhibiting less downside volatility than the Russell 3000 Index by investing in high-quality companies located in the United States with strong financials and identifiable sustained competitive advantages. The team combines proprietary screening and fundamental research to construct an all-cap portfolio that minimizes risk.



Gross/Net Expenses: **3.87%** / **0.99%**

Performance figures and other portfolio data shown for periods prior to November 3, 2015, do not reflect the current portfolio managers' performance or strategy.

Performance as of 03/31/18. Returns for periods greater than one year are annualized.

* 07/31/13

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 1.34% for Investor Class, 0.99% for Institutional Class and 1.49% for Class A 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, 2018, 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.

Market Overview

Volatility came back with a vengeance in the first quarter of 2018, but despite the increase in noise, the result was basically flat performance. Global stocks, as measured by the MSCI ACWI, declined by -1.03% during the quarter led by weak performance in the U.S. and Europe with the S&P 500 Index declining -0.76% and the MSCI Europe Index declining -1.98%. The weakness in Europe was masked by the robust performance of the euro as the market declined by -4.61% in local currency. Japan was also buoyed by its currency as the MSCI Japan Index fell -4.80% in yen terms but gained 0.13% in U.S. dollar terms. The MSCI Emerging Markets Index increased by 1.28% with little help from the changes in local currencies. Asset classes with a sensitivity to interest rates represented some of the hardest hit segments of the U.S. market. The Dow Jones U.S. Real Estate Index fell -5.91% and the S&P 500 Utilities Index fell -3.30%.

The change in U.S. interest rates was the biggest news during the quarter. The Bloomberg Barclays Global Aggregate Index declined -1.46% with investment-grade credit, as measured by the Bloomberg Barclays U.S. Credit Bond Index, leading the decline at -2.32%. Bonds with a higher coupon fared better than core Treasuries and corporate bonds. The Bloomberg Barclays U.S. Corporate High-Yield Bond Index declined -0.86% while the Bloomberg Barclays U.S. Municipal High Yield Index increased 0.58%. Emerging market (EM) corporate bonds were also able to avoid the worst of the rate-driven drawdowns, with the Credit Suisse Emerging Market Corporate Bond Index declining by -0.52% in the quarter.

Portfolio Overview

Salient US Dividend Signal Fund's Institutional shares returned 1.21% in the first-quarter, outperforming the benchmark, the Russell 3000 Index, which returned -0.64%. The VIX rose by over 80% during the quarter, starting the year at about 11, spiking to over 37 in early February and finishing the quarter at about 20, which is approximately its long-term average since inception. The January jobs report that came out in early February showed the average hourly earnings rate jumping more than expected, which meant that the U.S. Federal Reserve (Fed) might have to raise rates more than expected this year. This fear of a more aggressive rate-hiking Fed, along with escalating trade fears, were the dominant themes in the quarter. As noted in past commentaries, growth stocks have been outperforming value stocks, which continued this quarter. The Russell 1000 Growth Index returned 1.41% versus the Russell 1000 Value Index's -2.83%. This 4.24% difference follows the 2017 full year difference of 16.57%. This continued outperformance may be indicating that the economy isn't accelerating much beyond what it has been over the last several years.

In the first quarter, the fund's top performing sector was financials. The fund was overweight the sector in this rising rate environment. The top performing stock for the quarter was Virtu Financial, a leading technology-enabled market maker and liquidity provider to the financial markets. Virtu directly benefits when volatility spikes and trading volumes increase. The fund's weakest sector in the quarter was consumer discretionary, where the portfolio had a slight underweight. Comcast was the weakest performing stock in the quarter. The company recently made an offer to buy the 61% of Sky PLC that Fox doesn't own to disrupt the sale of Fox assets to Disney. The stock has trended lower on the prospects of this proposed transaction. We still like Comcast and the outlook for the company's broad product portfolio. At quarter end, the fund was more attractively valued than the benchmark with a price-earnings ratio of 21.2x versus the benchmark's 22.7x.

Investment Outlook

Global economic momentum continues as global gross domestic product estimates for 2018/2019 generally moved higher in early 2018. However, geopolitical intrigue possibly escalated to more protectionist trade policies and late quarter economic data that suggested at least some deceleration raised investor risk concerns. The business climate remains healthy. In the U.S., the tax cuts appear to be having the intended impact of lifting employment and increasing investment, and fiscal spend should be supportive with the new Bipartisan Budget Act. Europe remains on a positive trajectory with low inflation and good employment growth. Japan showed continued momentum with better-than-anticipated capital investment and a general uptrend in domestic demand. That said, the news may be as good as it gets for this part of the cycle. Purchasing managers' indices and other leading indicators have rolled over recently and the strong yen and euro may impact corporate profits in Japan and Europe. Consumer and business confidence suffered with tough trade talk dominating the headlines. Ergo, we note the mixed data coming from several emerging markets. Central and East Asia continue to be bright spots, but Brazil and Russia are not keeping up with the global economic performance averages. As noted in last quarter's commentary, China's economy should decelerate with less stimulus after last year's National Congress. Massive leverage and excess industrial capacity will continue to slowly drag on China's economic performance. Overall, however, the fundamentals remain solid. We believe the enacted U.S. trade tariffs, if not followed by more actions, will have limited impact. The 25% steel and 10% aluminum tariffs will result in an effective \$11 billion tax on consumers of these metals—a potentially big pill for certain industries like aircraft and machinery, but negligible for the \$19 trillion U.S. economy. The announced duties by China are even less impactful. Assuming a successful renegotiation of the North American Free Trade Agreement (NAFTA) and no full-blown global trade war, we look for very modest impact on the global business climate. We also highlight the very slow inflation burn with some wage price pressures offset by other more modest inflation data, which suggests that central banks can continue to be measured in accommodation removal.

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.salientfunds.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.

Salient US Dividend Signal Fund seeks total return, with dividend and interest income being an important component of that return, while exhibiting less downside volatility than the Russell 3000 Index.

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.

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 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

Bloomberg Barclays Global Aggregate Index represents a broad-based measure of the global investment-grade fixed income markets, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities.

Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment-grade, fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities.

Bloomberg Barclays U.S. Corporate High-Yield Bond Index covers the USD-denominated, noninvestment-grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

Bloomberg Barclays U.S. Credit Index is an index composed of corporate and non-corporate debt issues that are rated investment grade (Baa3/BBB) or higher.

Bloomberg Barclays U.S. Municipal High Yield Index measures the noninvestment-grade and nonrated U.S. dollar-denominated, fixed-rate, tax-exempt bond market within the 50 United States and four other qualifying regions (Washington D.C., Puerto Rico, Guam and the Virgin Islands).

Bloomberg Barclays U.S. Treasury Index is an unmanaged index of public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Credit Suisse Emerging Market Corporate Bond Index consists of U.S. dollar-denominated fixed-income issues from Latin America, Eastern Europe and Asia.

MSCI ACWI (All Country World Index) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

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

MSCI Europe Index is a free float-adjusted market capitalization index designed to measure developed market equity performance in Europe.

MSCI Japan Index is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of the developed markets in Japan.

Price-earnings (P/E) ratio is a measure of the price paid for a share of stock relative to the annual income or profit earned by the company per share. A higher P/E ratio means that investors are paying more for each unit of income.

Russell 1000 Growth Index is a large cap growth index measuring the performance of the largest 1,000 U.S. companies with higher price-book ratios and higher forecasted growth values.

Russell 1000 Value Index is a large cap value index measuring the performance of the largest 1,000 U.S. companies with lower price-book ratios and lower forecasted growth values.

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.

Russell 3000 Index is a market capitalization-weighted equity index maintained by the Russell Investment Group that seeks to be a benchmark of the entire U.S. stock market. The index is composed of the 3,000 largest U.S. companies and 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.

S&P 500 Utilities Index comprises those companies included in the S&P 500 that are classified as members of the GICS[®] utilities sector.

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.

Top 10 Holdings in Salient US Dividend Signal Fund as of 03/31/18:

Security	% of Net Assets
Microsoft Corp.	3.99
Home Depot, Inc.	3.80
Apple, Inc.	3.64
Johnson & Johnson	3.45
Accenture Plc	3.10

Holdings are subject to change.

Salient US Dividend Signal Fund is managed by Forward Management, LLC.
Not FDIC Insured | No Bank Guarantee | May Lose Value
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Security	% of Net Assets
BlackRock, Inc.	3.04
Texas Instruments, Inc.	3.03
Becton Dickinson and Co.	2.68
Amgen, Inc.	2.68
United Technologies Corp.	2.68