

Philosophy

The Salient U.S. Dividend Signal investment philosophy is based on the belief that by emphasizing higher-yielding stocks, the portfolio can participate in stock market advances and protect capital better than competing strategies during stock market declines.

Investment Process

The Salient U.S. Dividend Signal portfolio seeks to provide long-term capital appreciation and income by investing in dividend-paying companies typically located in the United States. The portfolio invests primarily in common stocks that regularly pay dividends. Investments are selected based on higher relative dividend yields, dividend growth potential and anticipated stock price appreciation. This U.S.-oriented portfolio is typically structured with 30 to 50 stocks diversified across seven to 10 sectors.

Buy Process

- Screen for companies with an absolute dividend yield higher than the S&P 500
- Identify companies with an unusually high historical relative yield (one standard deviation above its historical average)
- Qualitatively review resulting universe to identify the most attractive candidates
- Determine weighting based upon perceived risk and strength of the investment catalyst

Sell Discipline

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

- A stock's historical relative yield becomes unusually low (one standard deviation below its historical average)
- A stock's yield declines to an unattractive level
- A company's cash flow no longer adequately covers the dividend
- Future stock price appreciation appears limited

Performance (%)

	Q2 2018*	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception [†]
U.S. Dividend Signal - Gross [‡]	1.17	0.91	11.88	12.44	12.59	10.50	10.35
U.S. Dividend Signal - Net [‡]	1.00	0.57	11.11	11.17	11.08	9.02	9.50
S&P 500	3.44	2.65	14.38	11.95	13.44	10.18	9.61

STANDARD DEVIATION

U.S. Dividend Signal	—	—	—	9.86	9.63	12.88	11.85
S&P 500	—	—	—	10.02	9.73	14.65	14.09

Periods greater than one year are annualized.

* Returns are preliminary.

[†] Inception Date – 07/01/88

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

[§] Net returns are calculated using a highest management fee of 2.00%, applied monthly. Prior to March 31, 2010, net returns are calculated using a highest management fee of 0.55%, applied monthly. Prior to August 1, 2008, net returns are calculated using a management fee of 0.50%, applied monthly.

[^] Since inception calculations based on quarterly returns. All other time periods calculated based on monthly returns.

Portfolio Characteristics

Characteristics	Portfolio	S&P 500*
Number of Stocks	39	500
Dividend Yield	2.4%	1.9%
Price-Earnings	16.0	16.1
Price-Book	3.6	3.3
Price-Cash Flow	15.5	13.8
Weighted Avg Market Cap	\$181.4B	\$219.4B

Source: Bloomberg

* Based on S&P 500 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.

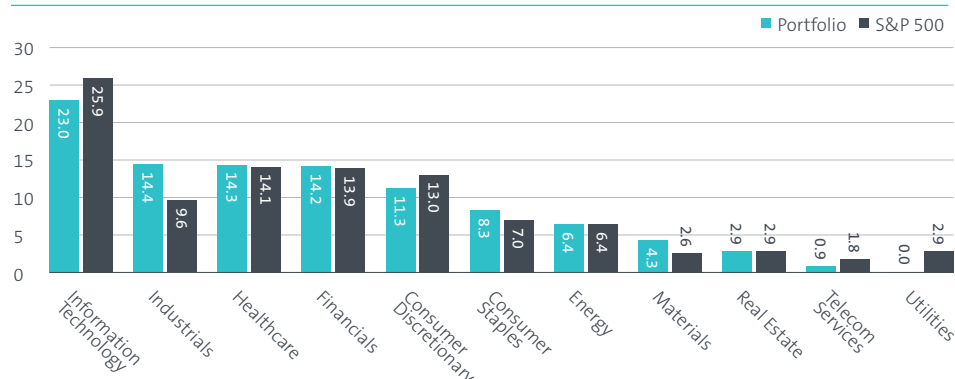
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Top 10 Holdings (%)

Security	% of Net Assets
Texas Instruments Inc.	4.64
Microsoft Corp.	4.44
Becton Dickinson	3.91
Apple Inc.	3.77
KLA-Tencor Corp.	3.57
JPMorgan Chase & Co.	3.53
Comcast Corp. - Class A	3.48
3M Co.	3.22
Phillips 66	3.21
CME Group Inc.	3.19

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.

U.S. Dividend Signal Portfolio

Calendar Year Returns (%)

	Portfolio Gross*	Portfolio Net†	S&P 500
2017	21.07	18.67	21.84
2016	17.66	15.31	11.98
2015	-2.70	-4.67	1.41
2014	13.08	10.82	13.69
2013	30.09	27.52	32.39
2012	9.57	7.39	16.00
2011	7.61	5.50	2.11
2010	13.41	11.63	15.06
2009	18.83	18.20	26.46
2008	-23.68	-24.10	-37.00

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Inception Date – 07/01/88

Risk Management

The Salient U.S. Dividend Signal portfolio is structured with a defensive bias and actively targets 20% lower volatility, as measured by standard deviation and beta, than the S&P 500 Index. This defensive portfolio strives to protect capital better than other like strategies in times of market weakness and to provide smoother performance over full-market cycles.

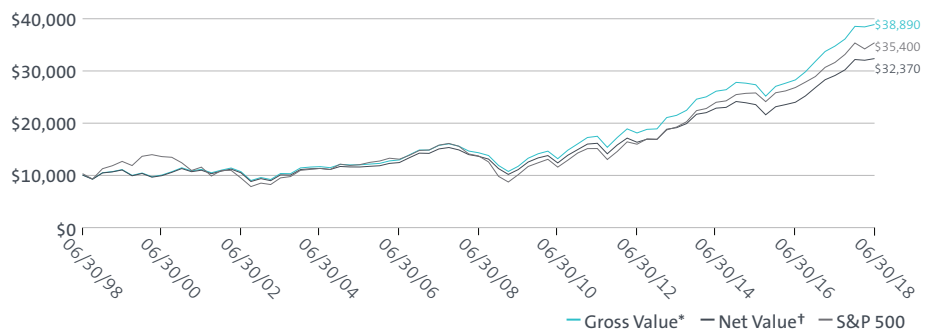
Portfolio Management

PORTFOLIO TEAM

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

YRS EXPERIENCE

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	0.97	0.95	97.88	89.21	2.56
5 Year	-0.21	0.96	94.90	96.21	2.51
10 Year	1.60	0.85	91.03	83.61	3.90
Since Inception*	1.70	0.75	81.67	70.69	6.49

Source: Morningstar. Gross statistics are measured against the S&P 500 Index.

* Inception Date – 07/01/88. Calculated based on quarterly returns. All other time periods calculated based on monthly returns.

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

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The Salient U.S. Dividend Signal composite seeks to provide long-term capital appreciation and income by investing in dividend-paying companies typically located in the United States. The portfolio invests primarily in common stocks that regularly pay dividends. The portfolio typically holds 30-50 stocks diversified across seven to 10 sectors. For comparison purposes the composite's benchmark is the S&P 500 Index. The S&P 500 Index is an unmanaged index of 500 common stocks chosen to reflect the industries in the U.S. economy. 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. Gross returns after March 31, 2010, are shown as supplemental information and are stated gross of all fees and transaction costs. Returns include the reinvestment of all income. Past performance does not guarantee future results. For the period July 1, 1988, to August 1, 2008, the composite returns and portfolio managers David Ruff and Randall Coleman were affiliated with a prior firm. From April 30, 2006, to August 1, 2008, David Ruff and Randall Coleman were responsible for selecting the securities to buy and sell. From July 1, 1988, to April 30, 2006, Jim Landau was also responsible for selecting the securities to buy and sell. Forward Management, LLC ("Forward") acquired the

assets and portfolio managers from Berkeley Capital Management, LLC on August 1, 2008. Performance prior to that date 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. Forward was acquired by Salient in June 2015. Prior to July 15, 2016, U.S. Dividend Signal was named U.S. Dividend.