REFINITIV LIPPER FUND AWARDS

2021 WINNER
UNITED STATES

Salient Tactical Growth Fund Wins Lipper Award

Salient Tactical Growth Fund – Institutional ranked number 1 out of 11 funds in the Absolute Return Funds category for the 10-year period ending November 30, 2020, based on risk-adjusted returns.

Salient Tactical Growth Fund as an Alternative to Bonds

Many investors have used the Salient Tactical Growth Fund to help provide cushioning against equity market risk. But the strategy has also been able to help cushion portfolios against interest rate rises. The fund has had a low correlation of 0.10 to bonds over the last decade and has had a negative correlation to bonds during the six significant increases in interest rates since 2009. The fund has produced positive performance during every major rise in interest rates during this time as well.

Salient Tactical Growth Fund has performed well during periods of interest rate rises in large part because monetary policy and credit conditions are a major component of the strategy's four-pillar process. The fund's models monitor the rate of change of interest rates, credit spreads, commodity prices and other measures that are designed to identify the conditions that could adversely affect both the stock and bond markets.

As investors look to the future, they must consider the possibility of a rising interest rate environment. While bonds have provided a good store of value for many years, a rising rate environment would adversely affect the principal value of bonds.

Performance of Salient Tactical Growth Fund During Periods of Rising Interest Rates

During the six periods of significant interest rates rises since 2009, the Salient Tactical Growth Fund produced positive returns compared with declines in the bond market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index.

Table 1. Six Periods of Significant Interest Rate Rises Since 2009

Periods of Rising Interest Rates	Bloomberg Barclays U.S. Aggregate Bond Index	Salient Tactical Growth Fund (FTGWX)
11/30/09 - 12/29/09	-1.53%	0.90%
11/04/10 - 01/31/11	-2.04%	2.35%
07/25/12 - 09/05/13	-3.59%	9.65%
01/30/15 - 12/30/15	-1.69%	2.13%
07/08/16 - 11/08/18	-2.47%	16.61%
08/04/20 - 02/26/21	-2.48%	4.42%

Sources: Broadmark, Bloomberg and Salient, as of February 28, 2021. *Past performance is not indicative of future results. Short-term performance is not necessarily reflective of long-term results. There is no guarantee that the fund objective or strategy will be achieved. Indices are unmanaged, and one cannot invest directly in an index.*

In February 2021, the 10-year U.S. Treasury Note rose as high as 1.63%, its highest level in over a year. Prior to the pandemic, the 10-year U.S. Treasury Note reached over 3% in 2018 and almost 4% in 2010. A rise in interest rates to pre-pandemic levels would have a severe impact on bond portfolios.

But what if interest rates do not rise from current levels?

Investors can be comforted by the fact that in the 10 years ending December 2020, the Salient Tactical Growth Fund has outperformed both the Bloomberg Barclays U.S. Aggregate Bond Index and the fund's benchmark, the HFRX Equity Hedge Index.

Table 2. 10 Years of Performance as of December 2020

	Annual Return	Standard Deviation
Salient Tactical Growth Fund (FTGWX)	4.34%	6.47%
Bloomberg Barclays U.S. Aggregate Bond Index	3.84%	2.93%
HFRX Equity Hedge Index	0.76%	7.01%

Sources: Broadmark, Salient and Bloomberg, as of December 31, 2020. *Past performance is not indicative of future results. Short-term performance is not necessarily reflective of long-term results. There is no guarantee that the fund objective or strategy will be achieved. Indices are unmanaged, and one cannot invest directly in an index.*

The Four-Pillar Process and Interest Rates

The level, direction and rate of change of interest rates are major factors in the Salient Tactical Growth four-pillar investment process, including valuation, monetary policy and credit conditions, investor sentiment (from a contrarian perspective) and momentum. Interest rates drive equity valuations and equity valuations in turn have a direct impact on investor sentiment. The momentum and relative strength of the financial- and interest rate-related sectors often precede changes in overall stock and bond market direction. The investment team considers all these factors in determining an appropriate market exposure. The following is a summary of how the Salient Tactical Growth Fund's four pillars relate to the possibility of further interest rate rises:

- **Equity valuations** are directly linked to the general level of interest rates. The lower the return on fixed-income assets, the more attractive the potential returns on equities become. A rise in interest rates—and a corresponding decline in bonds—alters the risk-reward ratio between stocks and bonds.
- **Monetary policy and credit conditions** are the major drivers of interest rates and intermediate- to long-term stock and bond prices. Historically, a rapid and meaningful rise in rates has often been a warning sign to potential market weakness. Credit spreads are also an important factor in assessing the risk posed by rising rates.
- **Investor sentiment** is important since the combination of rising interest rates and extreme optimism has often preceded stock and bond market weakness.
- **Momentum** and relative strength for interest rate-related sectors such as financials, home building and utilities often indicate when rising interest rates are beginning to impact the bond and stock markets. Weakness in these areas often precedes the onset of a "risk-off" environment.

The Risk of Rising Interest Rates

Interest rates reached an all-time high in October 1981 when the yield on the 10-year U.S. Treasury Note hit over 15%. Political turmoil in the Middle East led to an oil crisis and runaway inflation. It took the next 40 years for interest rates to unwind to their current low levels. As the coronavirus spread during the early spring of 2020, the 10-year U.S. Treasury Note touched an all-time low of 0.318% in overnight trading on March 9, 2020.

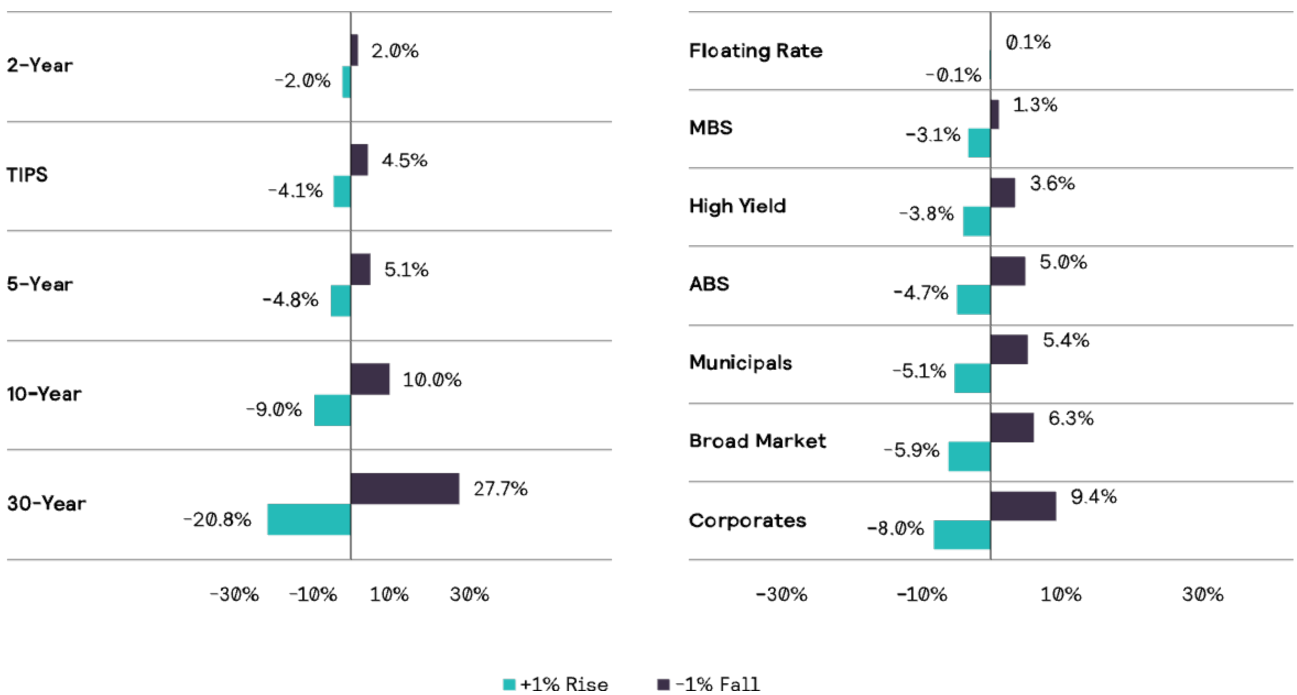
Investors have had to purchase bonds with longer maturities to obtain higher yields. Some investors have taken on more credit risk by purchasing "junk bonds," which are bonds that carry a higher risk of default than most bonds issued by corporations and governments. The average yield on junk bonds as measured by the Bloomberg Barclays U.S. Corporate High Yield Bond Index fell to 3.96% in February 2021, the lowest yield on record for the index.[1] Durations—a measure of interest rate risk—are now at or near all-time highs. The longer the duration of a bond, the longer investors must wait to be paid. This exposes investors to increased volatility due to changing interest rates.

The impact of a rise in interest rates on all fixed-income securities is significant. *Figure 1* shows the price declines for a variety of fixed-income securities for a 1% rise in interest rates.

Figure 1. Impact of Rate Changes on Fixed-Income Prices

Total Return Impact of a 1% Rise/Fall in Interest Rates

As of January 31, 2021



Sources: FactSet, Morgan Stanley Wealth Management GIC. The following Bloomberg Barclays indices were used for the sectors above: U.S. Aggregate Bond for Broad Market, U.S. Aggregate Securitized – MBS Index for MBS, U.S. Corporates for Corporate, Muni Bond 10-year Index for Municipals, Corporate High Yield Index for High Yield, US TIPS Index for TIPS, FRN (BBB) for Floating Rate, U.S. Convertibles Composite for Convertibles, and ABS + CMBS for ABS. Bloomberg Barclays U.S. Treasury benchmark indices used for U.S. Treasury data.

Past performance is not indicative of future results. Indices are unmanaged, and one cannot invest directly in an index.

With a 1% rise in interest rates, the 10-year U.S. Treasury Note declines -9.0% and the 30-year U.S. Treasury Bond drops -20.8%.

1. Barron's, "Junk Bonds Now Yield Less Than 4%, A Record Low. Here's What That Means for Investors," February 9, 2021.

Summary

Salient Tactical Growth Fund's four-pillar process incrementally adjusts portfolio exposure between major market indices and cash and cash equivalents as the models of its four-pillar investment process indicate. While the investment process is equity-oriented, the strategy has resulted in the Fund's outperformance during periods of rising interest rates, in large part because monetary policy and credit are such an integral part of the four-pillar process. These factors serve as a potential alert system to warn the Tactical Growth investment team of possible future market risks.

While many investors have used bonds as the anchor of the traditional "60/40" equity-bond allocation, it may now be time to consider the Salient Tactical Growth strategy as an alternative to that 40% bond allocation.

Long-Term Performance of the Salient Tactical Growth Fund

Performance as of 12/31/2020

	4Q 2020	YTD	1 Year	3 Year	5 Year	10 Year	Since Incep.*
Salient Tactical Growth Fund—Institutional	4.02%	8.40%	8.40%	4.55%	5.60%	4.34%	4.32%
HFRX Equity Hedge Index	7.77%	4.60%	4.60%	1.61%	2.92%	0.76%	1.56%
S&P 500 Index	12.15%	18.40%	18.40%	14.18%	15.22%	13.88%	14.27%
Bloomberg Barclays U.S. Aggregate Bond Index	0.67%	7.51%	7.51%	5.34%	4.44%	3.84%	4.05%

Gross/Net Expenses as of 05/01/20: **1.51%** / 1.51%

Returns for periods greater than one year are annualized.
* 09/14/09
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. Not all investors can invest in the institutional share class; different share classes would have different returns.

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 Tactical Growth Fund's investment objective is to produce above-average, risk-adjusted returns, in any market environment, while exhibiting less downside volatility than the S&P 500 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.

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.

Investing in exchange-traded funds (ETFs) will subject a fund to substantially the same risks as those associated with the direct ownership of the securities or other property held by the ETFs.

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.

Short selling involves additional investment risks and transaction costs, and creates leverage, which can increase the risk and volatility of a fund.

Investing in small 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.

Asset allocation does not assure profit or protect against risk.

Refinitiv Lipper Fund Awards, ©2021 Refinitiv. All rights reserved. Used under license.

Lipper, Inc. – A Reuters Company is a nationally recognized organization that ranks the performance of mutual funds within a universe of funds that have similar investment objectives. The calculation periods are through the end of November of the respective evaluation year. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Refinitiv Lipper Fund Award. For more information, see lipperfundawards.com. Although Refinitiv Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Refinitiv Lipper. Past performance is no guarantee of future results. Lipper is not affiliated with Salient, does not endorse, sponsor, sell or promote the product mentioned herein and it makes no representation regarding advisability of investing in the product described herein. Salient makes no representations as to the accuracy or the completeness of any of the information provided by Lipper. The rankings provided by Lipper are only as current as the date indicated and may be superseded by subsequent market events or for other reasons. This data does not constitute an offering of any security, product, service or fund. No investment strategy can guarantee performance results. All investments are subject to investment risk, including loss of principal invested.

10-year U.S. Treasury Note is a debt obligation issued by the U.S. Treasury that has a term of 10 years.

30-year U.S. Treasury Bond is a long-term debt obligation issued by the U.S. Treasury that has a term of 30 years.

Bloomberg Barclays 10-Year Municipal Bond Index is an unmanaged index composed of a broad range of investment-grade municipal bonds with maturity dates of approximately 10 years.

Bloomberg Barclays Asset-Backed Securities (ABS) Index is the ABS component of the Bloomberg Barclays U.S. Aggregate Bond Index. It has three subsectors: credit and charge cards, autos and utility.

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. CMBS Investment Grade Index measures the market of U.S. Agency and U.S. non-agency conduit and fusion CMBS deals with a minimum current deal size of $300 million.

Bloomberg Barclays U.S. Convertibles Composite Index tracks the performance of the USD-denominated convertibles market and includes all four major classes of convertible securities (i.e., cash pay bonds, zeros/OIDs, preferreds and mandatories).

Bloomberg Barclays U.S. Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market.

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. Additional information about ratings can be found, respectively, at www.moodys.com, www.fitchratings.com and www.standardandpoors.com.

Bloomberg Barclays U.S. Floating-Rate Note Index measures the performance of U.S. dollar-denominated, investment-grade, floating-rate notes across corporate and government-related sectors.

Bloomberg Barclays U.S. Mortgage-Backed Securities Index tracks the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC).

Bloomberg Barclays U.S. TIPS Index is an unmanaged index that includes all publicly issued, U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade, and have $250 million or more of outstanding face value.

Correlation is a statistical measure of how two securities move in relation to each other.

Credit spread is the spread between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates and is expressed as a number of years.

HFRX Equity Hedge Index is comprised of private funds with strategies that maintain both long and short positions primarily in equity securities and equity derivatives.

Momentum is the rate of acceleration of a security's price or volume.

Monetary policy refers to the actions of a central bank, currency board or other regulatory committee that determine the size and rate of growth of the money supply, including a change in interest rates or the amount of money banks need to keep in bank reserves.

S&P 500 Index is an unmanaged index of 500 common stocks chosen to reflect the industries in the U.S. economy.

Standard deviation measures the degree to which a fund's return varies from its previous returns or from the average of all similar funds.

Valuation is the process of determining the value of an asset or company based on earnings and the market value of assets.

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.

Not FDIC Insured | No Bank Guarantee | May Lose Value

FSD003500 033122