

Fourth Quarter 2007

Forward Emerald Growth Fund*Sub-Advised by Emerald Mutual Fund Advisers Trust*

Performance as of December 31, 2007	4Q07	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross/Net Expenses
Forward Emerald Growth Fund—A (NAV) ¹	-8.79%	1.97%	1.97%	7.63%	14.38%	6.90%	12.09%	1.40%/1.40%
Forward Emerald Growth Fund—A (MOP) ²	-14.05%	-3.91%	-3.91%	5.53%	13.03%	6.27%	11.65%	
Russell 2000 Growth Index	-2.10%	7.05%	7.05%	8.11%	16.50%	4.32%	8.08%	

Returns for periods greater than one year are annualized.

*10/01/92

¹Excludes sales charge²Reflects effects of the Fund's maximum sales charge of 5.75%

The performance quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance 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. Investment performance reflects 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. Performance current to the most recent month-end may be obtained at www.forwardfunds.com.

FOURTH QUARTER REVIEW

Emerald started 2007 looking at a slowing economy and a rising rate of corporate profitability. With this backdrop and after a P/E contraction in the last several years in our Small Cap Growth index, we believed growth would outperform value driven by a P/E expansion. This was quite controversial, as most prognosticators thought only large caps would work and P/E expansion in a slowing economy would be illogical. For nine months, this thesis appeared correct. Corporate profit growth, outside of financials, was driving growth stocks higher across all capitalization sizes. Cyclicity and increasing foreign demand combined with strong industry trends led us to a significant overweight in technology stocks. Consumer discretionary exposure was being maintained in-line with the index based on the favorable employment trends that we believed were more important than the negatives of high oil prices and subprime mortgage woes. The inflection point for the year was in August, when the credit markets seized and subprime concerns reached their heights as mortgage companies and insurers came under pressure. We expected the actions of the Federal Reserve in August to increase liquidity would encourage the market participants to resolve their Structured Investment Vehicle (SIVs) issues and write down problem assets. A more aggressive easing policy by the Federal Reserve, while not immediately positive for financial companies, should provide the needed confidence in corporate boardrooms, allowing economic growth to remain positive and the GDP growth to bottom in the 4th quarter or shortly thereafter. Emerald and the market were disappointed that the Fed lowered rates by only 25 bps at the December meeting. Gradualism, in this case, is a severe detriment to propping up sentiment and the economy. While we do expect further easing in 2008, we hope it is not too late to save the economy from recession. We remain in a tug of war over whether the economy is in the back end of a mid-cycle correction or at the beginning of a recessionary downturn. Accelerating profit growth is positive for small capitalization growth stocks, while slowing profit growth is often a negative. The magnitude of the pending slowdown and ultimate impact to corporate earnings remains uncertain. We expect volatility to remain elevated until the market has better visibility as to the breadth and depth of the impact from the current tight credit environment.

WHAT HURT RESULTS

After leading the index through the first three quarters of 2007, performance in the fourth quarter was quite challenging. Stock selection is and has always been the driver of Emerald's performance. Negative contribution from stock selection led to underperformance in the fourth quarter. In aggregate for 2007, underperformance in consumer discretionary stocks is the primary reason behind Emerald's underperformance during 2007. Through the course of the year, weakness in consumer discretionary performance was being offset by outperformance within technology, producer durables and health care. However, due to a series of stock-specific issues across multiple sectors, stock selection turned negative during the quarter as the portfolio experienced underperformance within consumer discretionary, technology, producer durables and health care. Market sentiment certainly didn't help, with the risk posture of the market shifting dramatically over the course of the quarter, but ultimately it was stock selection that drove the shortfall in relative performance. In the context of this market backdrop, this most recent earnings season was one of the most unforgiving in recent memory as even the most minor issues were met with significant declines in market capitalization. Within the fund, Crocs and Anadigics were the most noteworthy examples of this extreme behavior. In the case of Crocs, a designer and manufacturer of footwear, the company reported Q3 revenues slightly below consensus. During the quarter, Crocs moved into new facilities in both the Netherlands and Asia. During the transition, Crocs was unable to fill \$35 million worth of orders. The bottom line impact of the missed orders is roughly \$0.10 per share in earnings. Looking forward, Crocs raised its implied revenue and earnings guidance for the fourth quarter modestly, but raised guidance for 2008 earnings and revenue growth to 35% to 40%. Although disappointed with performance, Emerald has maintained its position on the belief that the issues facing the company in the third quarter were not indicative of weakening demand. Data points regarding sell-thru domestically remain strong and the company's international expansion is just beginning to gain traction. As for Anadigics, a provider of semiconductor solutions to the wireless and wireline communications market, there were similar issues: too much demand and not enough capacity. The company reported a better-than-consensus quarter in which revenue grew 35.5% year-over-year and earnings grew five-fold. However, upside to the third quarter and fourth quarter guidance was hampered as a result of capacity constraints, not demand. We believe Anadigics capacity constraints should dissipate as we move into the first quarter of 2008, resulting in higher margins and accelerating revenue growth. Current trends in 3G handsets bode well for Anadigics, as smartphones currently represent only 10% of cell phone shipments. We believe there exists further opportunity for growth.

Coming into the year, Emerald was optimistic regarding the opportunities within the consumer discretionary sector. The economy was growing at a healthy clip, job growth was solid, oil prices were on the decline and the subprime issue appeared that it would likely remain contained. In subsequent months however, job growth began to slow, oil prices nearly doubled and the subprime issue—and the resulting tightening of the credit markets—was much more pronounced than anticipated. Consequently, the consumer discretionary sector was one of the worst performing sectors of 2007. However, while it is true that the macro-environment made the sector more challenging it was individual stock selection, not portfolio weighting that plagued performance throughout the fourth quarter and 2007. During the fourth quarter, weakness was fairly broad-based with retail, shoes and commercial services being the source of the most significant underperformance. Within retail, despite being underweight, Emerald's holdings were pressured across the board as mall traffic slowed over the back-to-school period and into the holiday shopping period leading to negative earnings revisions, which negatively impacted the shares of The Wet Seal, Inc. We believe further negative revisions are likely due to weaker-than-expected holiday spending and have continued to reduce our already underweight position in retail.

Emerald has been reducing its consumer exposure since the middle of 2007 for all of the reasons discussed above. As we look into 2008, although many of the consumer stocks have already experienced significant declines, given the current macro-economic backdrop, reports of weaker-than-anticipated holiday spending, and the likelihood of further downward earnings revisions the fund remains underweight consumer discretionary.

Producer durables also proved to be a source of weakness in the fourth quarter. After providing a positive contribution to return during the first nine months of 2007, contribution for the fourth quarter was negative. The two most

significant detractors from performance were Smith & Wesson and Ladish Co. Smith & Wesson felt the effects from a strong inventory build into its distributors earlier this year and a subsequent decline in customer traffic at its end markets due to warmer weather hurting the fall hunting season. Originally, Smith & Wesson believed it would be able to correct the problem quickly and that it would effect only their fiscal quarter ending October 31, 2007. However, the problem persisted, leading the company to lower guidance for its fiscal quarter ending January 31, 2008, as the company's retail distributors work down existing inventory levels. Although the retail channel has been disappointing, in the military and police channels the company has won in excess of 80% of product test and evaluations. Therefore, although a build-up in inventory levels in the retail channel is unfortunate, it does not derail Emerald's long-term investment thesis, which is predicated on further market share gains within the retail and military and police channels. In the case of Ladish, supply constraints was the limiting factor to revenue growth. Ladish is a provider of highly specialized, engineered metal components for aerospace and industrial markets. The company reported disappointing results in 3Q07 owing mostly to an inability to acquire enough raw material (powdered nickel) from its sole supplier. This supplier had been the target of a successful acquisition in May 2006, and is the only powdered nickel supplier certified by Rolls Royce, General Electric and Pratt & Whitney to supply this material for rotating aero-engine parts. This is not a demand issue as both the aerospace and industrial markets to which Ladish sells remain very robust which is reflected in the company's record \$575 million in backlog, equal to more than one year of sales. Emerald remains confident that the company can work through these supply issues and has maintained its position given the long-term opportunity we have cited in the aerospace industry.

Although the fourth quarter performance was disappointing given the aforementioned, Emerald has maintained its overweight position in producer durables. Holdings within this sector remain diversified with exposure to aerospace, electronics, machinery and telecom equipment. Aerospace remains the predominant theme given the upgrade cycle currently underway as international carriers upgrade and expand their fleets.

In a similar fashion to producer durables, performance within the technology sector proved disappointing in the fourth quarter. Emerald has maintained an overweight position in technology since the fall of 2006. As a result, Emerald was a beneficiary of the growing momentum in technology performance that was prevalent through the first nine months of 2007 benefiting from strong stock selection and overweight position. However, the fourth quarter marked a significant reversal in sentiment toward technology as it went from a leader to a laggard. As sentiment shifted and money flows turned negative, the areas of strength have become areas of weakness as stock selection within communications technology, software and semiconductors were the primary drivers of underperformance. Semiconductor performance suffered during the quarter as the revenue acceleration experienced during the second and third quarters of 2007 did not result in increased fourth quarter guidance, fueling concerns that end-market demand was being hampered by the weakening U.S. consumer.

MARKET OUTLOOK

Describing the fourth quarter of 2007 as anything less than tumultuous would be an understatement. Volatility was high as were market concerns. The market has been in a virtual cycle: fearing the worst (recession), but hoping for the best (the Federal Reserve will rescue the economy with a series of aggressive rate cuts). Recent economic data has only served to support the fear, Christmas sales were disappointing and the most recent employment report pegged the unemployment rate at 5.0%, significantly higher than the 4.8% rate that was expected.

Market sentiment continues to worsen, as market participants continue to sell off the worst performers such as the consumer discretionary (especially retailers) and financials (especially all banking institutions, community, money center, or investment banks). Emerald has been following the IBES Valuation Model (also known as the Fed Model) which offers support as it is now showing a market that is over 45% undervalued. The problem here lies in the market's confidence in earnings. Even during a period of declining earnings growth the underlying market can—and has in the past—rally due to valuation, over pessimism in investor sentiment and a monetary positioning indicating the Federal Reserve is behind us and not holding the economy back. The dilemma facing Emerald at this time is that a

recession would hurt higher beta stocks (growth stocks) and small capitalization stocks in particular because of their higher reliance on the domestic economy. At the same time, we see a market very attractively priced if a recession

doesn't materialize. While combating a rough market, we still believe growth is selling at a considerable value but, of course, realizing this value may take time.

INDUSTRY DIVERSIFICATION/SECTOR OUTLOOK

As we enter 2008, we expect the heightened volatility in the market will likely continue as investors grapple with the magnitude of the economic slowdown and the Federal Reserve's response. Emerald now believes the domestic economy will slow more materially than originally thought at the end of the third quarter, but global growth will remain strong. Therefore, while the consumer sector may continue to struggle due to its more domestic tilt, we believe the technology sector remains attractive. Recently, technology has come under pressure as risks to consumer end-markets and concerns over the potential for weakening enterprise spending have put into question the ability of global growth to offset the potential for domestic weakness. While Emerald has been adjusting the composition of the technology exposure, we continue to believe that technology remains an opportunity driven by international growth and the next wave of productivity-enhancing investments, specifically Web 2.0. Domestic IT Budgets according to Gartner, are currently forecasted to increase around 5% in 2008, on top of a 6% increase in 2007—but given recent economic weakness we understand the precarious nature of this number. Further, areas of strength in 2007 are expected to continue on their growth path in 2008. Gartner is estimating unit growth of 11.6% and 10.7% in 2008 for cell phones and PC's, respectively. Further, we have mentioned on numerous occasions the opportunity being driven by the advent of video over the internet and the rapid rate at which bandwidth is being consumed. Supporting this notion, AT&T at its most recent Analyst Day indicated that it expects the traffic on its backbone to quadruple to more than 50,000 terabytes/day over the next 3 years. For all of these reasons we have maintained our positive outlook regarding opportunities within the technology sector.

Portfolio construction continues to favor technology and producer durables as these two sectors represent Emerald's largest relative overweight positions. Further, Emerald has been reinvesting dollars harvested from consumer discretionary into health care moving from an underweight to approximately an equal-weight position with a particular emphasis on medical devices, diagnostics and specialty pharmaceuticals.

Forward Emerald Growth Fund—Top Ten holdings as of 12/31/07:

Top Ten Holdings	% Fund with Cash
Ansys, Inc.	2.88%
BE Aerospace, Inc.	2.81%
LifeCell Corp.	2.19%
Gen-Probe, Inc.	2.04%
Marvel Entertainment, Inc.	1.86%
Psychiatric Solutions, Inc.	1.83%
Cepheid, Inc.	1.73%
II-VI, Inc.	1.69%
Blackboard, Inc.	1.68%
Iconix Brand Group, Inc.	1.67%

These holdings may not reflect the current or future positions in the portfolio. Portfolio holdings are subject to change.

The Russell 2000 Growth Index measures the performance of those Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth values. The index figures do not reflect any deduction for fees, expenses, or taxes. It is not possible to invest directly in an index.

Funds that concentrate in a particular industry will involve a greater degree of risk than funds with a more diversified portfolio. Small company stocks are generally riskier than large company stocks due to greater

volatility and less liquidity. There are risks involved with investing, including loss of principal. Past performance does not guarantee future results.

You should consider the investment objectives, risks, charges and expenses carefully before investing. A prospectus with this and other information about the Fund may be obtained by calling (800) 999-6809 or by downloading one from www.forwardfunds.com. It should be read carefully before investing.

Forward Funds are distributed by ALPS Distributors, Inc.

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As of December 31, 2007, the Fund held the following positions in the portfolio (These holdings may not reflect the current or future positions in the portfolio. Portfolio holdings are subject to change.):

Forward Emerald Growth Fund

As of 12/31/2007

Security ID	Ticker	Security Name	# of Shares	Market Price	Market Value	% of Total Net Assets	Currency Code
03662Q105	ANSS	Ansys, Inc.	127,064	\$ 41.46	\$ 5,268,073	2.88%	USD
073302101	BEAV	BE Aerospace, Inc.	96,957	52.90	5,129,025	2.81%	USD
531927101	LIFC	LifeCell Corp.	92,768	43.11	3,999,228	2.19%	USD
36866T103	GPRO	Gen-Probe, Inc.	59,079	62.93	3,717,841	2.04%	USD
57383T103	MVL	Marvel Entertainment, Inc.	126,950	26.71	3,390,835	1.86%	USD
74439H108	PSYS	Psychiatric Solutions, Inc.	102,644	32.50	3,335,930	1.83%	USD
15670R107	CPHD	Cepheid, Inc.	120,138	26.35	3,165,636	1.73%	USD
902104108	IIVI	II-VI, Inc.	100,729	30.55	3,077,271	1.69%	USD
091935502	BBBB	Blackboard, Inc.	76,009	40.25	3,059,362	1.68%	USD
451055107	ICON	Iconix Brand Group, Inc.	155,406	19.66	3,055,282	1.67%	USD
896818101	TGI	Triumph Group, Inc.	33,900	82.35	2,791,665	1.53%	USD
170032809	CQB	Chiquita Brands International, Inc.	151,781	18.39	2,791,253	1.53%	USD
929740108	WAB	Wabtec Corp.	81,000	34.44	2,789,640	1.53%	USD
595137100	MSCC	Microsemi Corp.	123,533	22.14	2,735,021	1.50%	USD
71721R406	PFWD	Phase Forward, Inc.	125,395	21.75	2,727,341	1.49%	USD
009363102	ARG	Airgas, Inc.	52,273	52.11	2,723,946	1.49%	USD
78388J106	SBAC	SBA Communications Corp., Class A	79,800	33.84	2,700,432	1.48%	USD
78486Q101	SIVB	SVB Financial Group	53,100	50.40	2,676,240	1.47%	USD
90385D107	ULTI	The Ultimate Software Group, Inc.	84,200	31.47	2,649,774	1.45%	USD
62855J104	MYGN	Myriad Genetics, Inc.	56,904	46.42	2,641,484	1.45%	USD
594901100	MCRS	Micros Systems, Inc.	36,620	70.16	2,569,259	1.41%	USD
436440101	HOLX	Hologic, Inc.	37,418	68.64	2,568,372	1.41%	USD
92552V100	VSAT	Viasat, Inc.	72,436	34.43	2,493,971	1.37%	USD
87651B104	TASRE	Taser International, Inc.	173,260	14.39	2,493,211	1.37%	USD
000361105	AIR	AAR Corp.	61,780	38.03	2,349,493	1.29%	USD
505754200	LDSH	Ladish Co., Inc.	53,111	43.19	2,293,864	1.26%	USD
067511105	BARE	Bare Escentuals, Inc.	94,505	24.25	2,291,746	1.25%	USD
09057G602	BRLI	Bio-Reference Laboratories, Inc.	67,173	32.68	2,195,214	1.20%	USD
032515108	ANAD	Anadigics, Inc.	185,450	11.57	2,145,657	1.17%	USD
227046109	CROX	CROCS, Inc.	56,470	36.81	2,078,661	1.14%	USD
743606105	PRSP	Prosperity Bancshares, Inc.	64,800	29.39	1,904,472	1.04%	USD
682189105	ONNN	ON Semiconductor Corp.	208,200	8.88	1,848,816	1.01%	USD
489170100	KMT	Kennametal, Inc.	48,550	37.86	1,838,103	1.01%	USD
09061G101	BMRN	BioMarin Pharmaceutical, Inc.	51,650	35.40	1,828,410	1.00%	USD
111621306	BRCD	Brocade Communications Systems, Inc.	235,680	7.34	1,729,891	0.95%	USD
036384105	ANST	Ansoft Corp.	66,283	25.85	1,713,416	0.94%	USD
73172K104	PLCM	Polycom, Inc.	61,267	27.78	1,701,997	0.93%	USD
66987M604	NVTL	Novatel Wireless, Inc.	104,454	16.20	1,692,155	0.93%	USD
543524300	LOOP	LoopNet, Inc.	119,420	14.05	1,677,851	0.92%	USD
88368Q103	TSCM	TheStreet.com, Inc.	105,050	15.92	1,672,396	0.92%	USD
878555101	TNL	Technitrol, Inc.	56,100	28.58	1,603,338	0.88%	USD
868532102	SUPX	Supertex, Inc.	50,920	31.29	1,593,287	0.87%	USD

Forward Emerald Growth Fund

As of 12/31/2007

Security ID	Ticker	Security Name	# of Shares	Market Price	Market Value	% of Total Net Assets	Currency Code
46059C205	ICGE	Internet Capital Group, Inc.	130,001	11.74	1,526,212	0.84%	USD
144577103	CRZO	Carrizo Oil & Gas, Inc.	27,370	54.75	1,498,508	0.82%	USD
887319101	TWTC	Time Warner Telecom, Inc.	72,100	20.29	1,462,909	0.80%	USD
346375108	FORM	FormFactor, Inc.	43,836	33.10	1,450,972	0.79%	USD
83088M102	SWKS	Skyworks Solutions, Inc.	167,450	8.50	1,423,325	0.78%	USD
234264109	DAKT	Daktronics, Inc.	62,333	22.57	1,406,856	0.77%	USD
45071R109	XXIA	Ixia, Inc.	147,896	9.48	1,402,054	0.77%	USD
67020Y100	NUAN	Nuance Communications, Inc.	74,680	18.68	1,395,022	0.76%	USD
06646V108	RATE	Bankrate, Inc.	28,600	48.09	1,375,374	0.75%	USD
440543106	HOS	Hornbeck Offshore Services, Inc.	28,803	44.95	1,294,695	0.71%	USD
88224Q107	TCBI	Texas Capital Bancshares, Inc.	69,438	18.25	1,267,244	0.69%	USD
59518V102	MEND	Micrus Endovascular Corp.	62,550	19.68	1,230,984	0.67%	USD
84760C107	SPNC	The Spectranetics Corp.	79,230	15.33	1,214,596	0.67%	USD
032657207	ALOG	Analogic Corp.	17,914	67.72	1,213,136	0.66%	USD
302445101	FLIR	Flir Systems, Inc.	35,230	31.30	1,102,699	0.60%	USD
302941109	FCN	FTI Consulting, Inc.	17,826	61.64	1,098,795	0.60%	USD
118759109	BUCY	Bucyrus International, Inc.	11,010	99.39	1,094,284	0.60%	USD
447462102	HURN	Huron Consulting Group, Inc.	13,550	80.63	1,092,537	0.60%	USD
04743P108	ATHR	Atheros Communications, Inc.	35,550	30.54	1,085,697	0.59%	USD
911268100	UNTD	United Online, Inc.	89,740	11.82	1,060,727	0.58%	USD
35063R100	FDRY	Foundry Networks, Inc.	60,090	17.52	1,052,777	0.58%	USD
36159R103	GEO	The Geo Group, Inc.	36,600	28.00	1,024,800	0.56%	USD
78462K102	SPSS	SPSS, Inc.	28,050	35.91	1,007,276	0.55%	USD
254543101	DIOD	Diodes, Inc.	33,335	30.07	1,002,383	0.55%	USD
46270W105	IRIS	IRIS International, Inc.	51,041	19.62	1,001,424	0.55%	USD
465741106	ITRI	Itron, Inc.	10,360	95.97	994,249	0.54%	USD
831756101	SWHC	Smith & Wesson Holding Corp.	159,210	6.10	971,181	0.53%	USD
88428W108	TWTI	Third Wave Technologies, Inc.	100,162	9.65	966,563	0.53%	USD
805423308	SVVS	SAVVIS, Inc.	34,340	27.91	958,429	0.52%	USD
29100P102	EMS	Emergency Medical Services Corp., Class A	31,814	29.28	931,514	0.51%	USD
969199108	WG	Willbros Group, Inc.	24,100	38.29	922,789	0.51%	USD
24802R506	DMAN	DemandTec, Inc.	46,617	19.29	899,242	0.49%	USD
707882106	PVA	Penn Virginia Corp.	20,423	43.63	891,055	0.49%	USD
67069D108	NTRI	NutriSystem, Inc.	32,900	26.98	887,642	0.49%	USD
608507109	MFLO	Moldflow Corp.	53,985	16.11	869,698	0.48%	USD
961840105	WTSLA	The Wet Seal, Inc., Class A	357,010	2.33	831,833	0.46%	USD
863236105	STRA	Strayer Education, Inc.	4,583	170.58	781,768	0.43%	USD
966387102	WLL	Whiting Petroleum Corp.	13,266	57.66	764,918	0.42%	USD
457985208	IART	Integra LifeSciences Holdings Corp.	18,200	41.93	763,126	0.42%	USD
670704105	NUVA	NuVasive, Inc.	19,005	39.52	751,078	0.41%	USD
007865108	ARO	Aéropostale, Inc.	28,150	26.50	745,975	0.41%	USD
606501104	MIND	Mitcham Industries, Inc.	35,610	20.56	732,142	0.40%	USD
981475106	INT	World Fuel Services Corp.	25,210	29.03	731,846	0.40%	USD

Forward Emerald Growth Fund

As of 12/31/2007

Security ID	Ticker	Security Name	# of Shares	Market Price	Market Value	% of Total Net Assets	Currency Code
825211105	SHOR	ShoreTel, Inc.	51,380	13.97	717,779	0.39%	USD
30241L109	FEIC	FEI Co.	27,685	24.83	687,419	0.38%	USD
832154108	SMSI	Smith Micro Software, Inc.	80,740	8.47	683,868	0.37%	USD
19239V302	CCOI	Cogent Communications Group, Inc.	27,680	23.71	656,293	0.36%	USD
90933T109	INDM	United America Indemnity, Ltd., Class A	32,915	19.92	655,667	0.36%	USD
928645100	VOLC	Volcano Corp.	50,113	12.51	626,914	0.34%	USD
452327109	ILMN	Illumina, Inc.	9,800	59.26	580,748	0.32%	USD
800677106	SGMO	Sangamo Biosciences, Inc.	43,990	13.09	575,829	0.32%	USD
885175307	THOR	Thoratec Corp.	31,150	18.19	566,619	0.31%	USD
65440K106	NDN	99 Cents Only Stores	70,552	7.96	561,594	0.31%	USD
452526106	BLUD	Immucor, Inc.	15,950	33.99	542,141	0.30%	USD
901107102	TTG	Tutogen Medical, Inc.	51,553	10.32	532,027	0.29%	USD
397624107	GEF	Greif, Inc.	8,110	65.37	530,151	0.29%	USD
46626E205	JCOM	j2 Global Communications, Inc.	25,000	21.17	529,250	0.29%	USD
723456109	PNK	Pinnacle Entertainment, Inc.	22,300	23.56	525,388	0.29%	USD
928708106	VLTR	Volterra Semiconductor Corp.	47,530	11.03	524,256	0.29%	USD
989817101	ZUMZ	Zumiez, Inc.	21,360	24.36	520,330	0.28%	USD
30033R108	ESLR	Evergreen Solar, Inc.	30,000	17.27	518,100	0.28%	USD
590876306	MPR	Met-Pro Corp.	42,677	12.08	515,538	0.28%	USD
00752J108	AATI	Advanced Analogic Technologies, Inc.	45,118	11.28	508,931	0.28%	USD
864596101	SFSF	SuccessFactors, Inc.	42,060	11.82	497,149	0.27%	USD
23767P109	DDUP	Data Domain, Inc.	18,459	26.34	486,210	0.27%	USD
92778Q109	VCBI	Virginia Commerce Bancorp	41,358	11.73	485,129	0.27%	USD
52078P102	LWSN	Lawson Software, Inc.	46,600	10.24	477,184	0.26%	USD
90384S303	ULTA	Ulta Salon Cosmetics & Fragrance, Inc.	27,132	17.15	465,314	0.25%	USD
82967H101	SIRF	SiRF Technology Holdings, Inc.	18,500	25.13	464,905	0.25%	USD
156710105	CRDN	Ceradyne, Inc.	9,800	46.93	459,914	0.25%	USD
210313102	CTCT	Constant Contact, Inc.	21,334	21.50	458,681	0.25%	USD
64128B108	TNDM	Neutral Tandem, Inc.	24,065	19.02	457,716	0.25%	USD
09064X101	BMTI	BioMimetic Therapeutics, Inc.	26,140	17.37	454,052	0.25%	USD
413160102	HLIT	Harmonic, Inc.	43,300	10.48	453,784	0.25%	USD
922207105	VSEA	Varian Semiconductor Equipment Association, Inc.	11,000	37.00	407,000	0.22%	USD
13054D109	CPKI	California Pizza Kitchen, Inc.	25,857	15.57	402,593	0.22%	USD
12802T101	DVR	Cal Dive International, Inc.	29,310	13.24	388,064	0.21%	USD
428567101	HIBB	Hibbett Sporting Goods, Inc.	19,064	19.98	380,899	0.21%	USD
89385X105	TSON	TranS1, Inc.	21,474	16.47	353,677	0.19%	USD
97186T108	WIBC	Wilshire Bancorp, Inc.	41,324	7.85	324,393	0.18%	USD
817337405	SQNM	Sequenom, Inc.	30,850	9.55	294,618	0.16%	USD
88023U101	TPX	Tempur-Pedic International, Inc.	11,300	25.97	293,461	0.16%	USD
G0129K104	AYR	Aircastle, Ltd.	10,985	26.33	289,235	0.15%	USD
911163103	UNFI	United Natural Foods, Inc.	8,700	31.72	275,964	0.15%	USD
M8484K109	LIMS	Starlims Technologies, Ltd.	24,856	10.78	267,948	0.15%	USD
294092101	ETC	Environmental Tectonics Corp.	127,584	1.86	237,306	0.13%	USD

Forward Emerald Growth Fund

As of 12/31/2007

Security ID	Ticker	Security Name	# of Shares	Market Price	Market Value	% of Total Net Assets	Currency Code
36102A207	FUQI	Fuqi International, Inc.	19,705	8.30	163,552	0.09%	USD
48273U102	LRN	K12, Inc.	5,100	25.88	131,988	0.07%	USD
		Net Cash & Cash Equivalents			6,793,069	3.71%	