

Objective

An actively managed growth fund that seeks to achieve long-term growth of capital investing primarily in equity securities of companies in Asian (ex-Japan) countries.

Strategy Overview

The fund invests in a non-diversified portfolio of equity securities of companies located in Asia, but not including companies located in Japan. Investments are typically made in at least ten but not fewer than seven Asian (ex-Japan) countries, including emerging markets.

Portfolio Facts

SUB-ADVISOR

Pictet Asset Management, Ltd.

CATEGORY

Foreign Growth

INCEPTION DATE

December 31, 2007

TICKER

FFAEX – Investor Class

FFASX – Institutional Class

MINIMUM INVESTMENT

Investor

Initial: \$4,000

Initial-eDelivery: \$2,000

Initial-Automatic Investment Plan: \$500

Institutional

Initial: \$100,000

STATISTICS

| | |
|-------------------------------|----------|
| Price/Book*: | 2.93 |
| Forward P/E*: | 14.95 |
| EPS Growth Rate*: | 14.51% |
| Long-Term Debt-to-Equity*: | 0.85% |
| Weighted Average Market Cap*: | \$42.0 B |
| Average Cap*: | \$23.0 B |
| Number of Holding: | 103 |
| Annualized Turnover: | 196.35% |

*Data refers to the Fund's holdings and not to the Fund. Price/Book Ratio and Price/Earnings Ratio represent equity securities within the Fund's portfolio, and are not intended to demonstrate Fund growth, income earned by the Fund, or distributions made by the Fund. EPS Growth Rate represents current year consensus estimates weighed by distribution of the portfolio.

Investment Philosophy

- Bottom-up stock picking process integrated with a top-down framework helps refine investment timing
- Investment universe includes developed as well as emerging markets
- Employ a modified, value-based approach that is based on adjusted book value and implied growth
- Portfolio construction is subject to a top-down sector overlay and a country risk review

Investment Process

The fund utilizes a bottom-up stock selection process focusing on three main methods of analysis:

1. Industrials

Undervalued industrial capacity: buy companies valued below the median; no dependence on earnings projections

2. Financials

Screen for the world's cheapest banking franchises with the strongest capital ratios and highest potential for profitability

3. Intellectual Property & Services

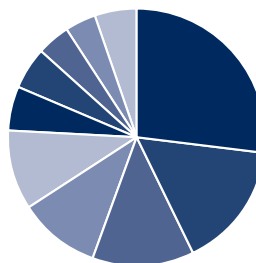
A balanced approach identifies the best opportunities through an objective combination of current valuations and implied future growth

The liquidity cycle drives market valuations

- Current liquidity conditions
- Economic constraints on liquidity creation—now and in the future
- Close monitoring of changing trends

Sector Allocation

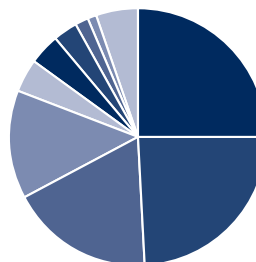
These allocations may not reflect the current or future holdings of the portfolio. Percentages may not add up to 100% due to rounding.



| | |
|-------------------------------|----------|
| ■ Financials | - 27.12% |
| ■ Information Technology | - 15.79% |
| ■ Telecommunication Services | - 12.71% |
| ■ Industrials | - 10.38% |
| ■ Materials | - 9.98% |
| ■ Consumer Staples | - 5.52% |
| ■ Energy | - 5.37% |
| ■ Utilities | - 4.14% |
| ■ Consumer Discretionary | - 3.80% |
| ■ Net Cash & Cash Equivalents | - 5.19% |

Country Allocation

These allocations may not reflect the current or future holdings of the portfolio. Percentages may not add up to 100% due to rounding.



| | |
|-------------------------------|----------|
| ■ South Korea | - 25.15% |
| ■ Taiwan | - 24.17% |
| ■ China | - 18.06% |
| ■ Hong Kong | - 13.64% |
| ■ Thailand | - 4.03% |
| ■ Indonesia | - 3.85% |
| ■ Malaysia | - 3.07% |
| ■ Singapore | - 1.90% |
| ■ Philippines | - 0.94% |
| ■ Net Cash & Cash Equivalents | - 5.19% |

Performance - as of 03/31/08

| | 1Q | YTD | Since Inc. (12/31/07) |
|--------------------------------------------------|---------|---------|-----------------------------|
| Forward Asia ex-Japan Equities Fund—Instl Class: | -12.30% | -12.30% | -12.30% |
| MSCI All Country Asia ex-Japan Index | -14.35% | -14.35% | -14.35% |
| Gross Expense Ratio: | 2.71% | | |
| Net Expense Ratio*: | 1.35% | | |

* The Fund's investment advisor has contractually agreed to waive a portion of its fees and reimburse other expenses until April 30, 2008, in amounts necessary to limit the Fund's operating expenses (exclusive of brokerage costs, interest, taxes, dividends and extraordinary expenses) for the Institutional Class shares to an annual rate (as a percentage of the Fund's average daily net assets) of 1.35%.

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. The returns assume reinvestment of dividends and distributions, if any. Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemptions of fund shares. Performance current to the most recent month-end may be obtained at www.forwardfunds.com.

Management Team**Nidhi Mahurkar**

Co-Head of the Global Emerging Markets Equities Team

Mahurkar is co-head of the Global Emerging Markets Equities Team in charge of investment in Asia across global emerging markets and regional Asian mandates. She holds a BA in economics and an MBA from the Indian Institute of Management in Bangalore.

Lan Wang Simond, CFA*

Senior Investment Manager

Simond is a Senior Investment Manager in the Global Emerging Markets Equities Team specializing in the Asia ex-Japan region. She holds a BA from the Beijing Normal Institute of Foreign Languages and a Business Administration degree from the HEC University of Lausanne, Switzerland.

Amit Mehta

Investment Manager

Mehta is an Investment Manager in the Global Emerging Markets Equities team, focusing on the financial sector. He holds a BSc (with honors) in accounting and financial analysis from Warwick University and is a qualified Chartered Accountant (ICAEW).

Vladimir Cara, CFA*

Investment Analyst

Cara is an Investment Analyst in the Global Emerging Markets Equities team, covering the technology sector. He holds a BSc in finance from Western Kentucky University and an MBA from the University of Chicago Graduate School of Business. Cara is also a licensed CPA.

*Lan Wan Simond and Vladimir Cara have earned the right to use the Chartered Financial Analyst designation.

The MSCI All Country Asia ex-Japan Index is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of Asia, excluding Japan. As of March 2008, the MSCI AC Asia ex-Japan Index consisted of the following eleven developed and emerging market country indexes: China, Hong Kong, India, Indonesia, Korea, Malaysia, Pakistan, Philippines, Singapore, Taiwan and Thailand. The index figures do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an index.

Foreign securities, especially emerging markets, involve additional risks including social and political instability, liquidity, greater volatility and less regulation.

Please consider the objectives, risks, charges and expenses carefully before investing in the fund. A prospectus with this and other information may be obtained by calling (800) 999-6809 or by visiting www.forwardfunds.com. Please read it carefully before making a final investment decision.

Adjusted book value is the book value on a company's balance sheet after assets and liabilities are adjusted to market value.

Capital ratios is a measure of a bank's capital strength used by U.S. regulatory agencies.

Forward Funds are distributed by ALPS Distributors, Inc.
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