FORWARD FUNDS

Forward Thinking

Prospectus

Class A Shares
Class B Shares
Class C Shares

June 12, 2009

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FORWARD FUNDS

Forward Select Income Fund
Forward Strategic Realty Fund
Forward Global Infrastructure Fund
Forward International Real Estate Fund

PROSPECTUS
CLASS A SHARES
CLASS B SHARES
CLASS C SHARES
June 12, 2009

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this Prospectus. It is a criminal offense to say otherwise.

Forward Funds, like other mutual funds, try to meet their stated investment goals but there is no guarantee that the goals will be met. Investments in the Funds are not bank deposits; they are not insured by the FDIC, the Federal government or any other agency.

OBJECTIVE

The Fund seeks high current income and potential for modest long term growth of capital.

PRINCIPAL INVESTMENT STRATEGIES

The Fund pursues its objective by investing primarily in securities of companies in the real estate industry, such as real estate investment trusts ("REITs"), master limited partnerships and other real estate firms. Its investments in these issuers are expected to include preferred stock, convertible preferred stock, debt obligations and other senior securities. The Fund may invest a significant portion of its assets in preferred stock. The Fund may also invest in common stock, rights and warrants to purchase securities, and limited partnership interests to the extent the advisor deems appropriate. There can be no assurance the Fund will achieve its investment objective.

The Advisor uses a variety of strategies in managing the Fund's investments. It may engage in transactions designed to hedge against changes in the price of the Fund's portfolio securities, such as purchasing put options or selling securities short. The Fund has the ability to leverage its portfolio by borrowing money in an amount up to one-third of its assets to purchase securities, and it may lend its portfolio securities to generate additional income. The Fund may purchase restricted securities (securities which are deemed to be not readily marketable).

Under normal market conditions, at least 80% of the Fund's net assets plus borrowings for investment purposes, if any, will be invested in income-producing securities. The Fund's investments will also be predominantly in issuers engaged primarily in the real estate business. The Fund will deem an issuer to be primarily in the real estate business if it derives at least 50% of its revenues from the ownership, construction, financing, management or sale of commercial, industrial, or residential real estate or if it has at least 50% of its assets invested in real estate. Real estate companies may include REITs, real estate operating companies, companies operating businesses that own a substantial amount of real estate (such as hotels and assisted living facilities) and development companies. For liquidity, the Fund may invest a portion of its assets in high quality debt securities (securities rated within the top two rating categories by a nationally recognized rating agency), money market instruments and repurchase agreements. For temporary defensive purposes, under unusual market conditions, the Fund may invest in these instruments without limit. During periods that the Fund is investing defensively, it will not be pursuing its investment objective.

The Fund is not a diversified investment company, which means that it may invest greater proportions of its assets in individual issuers than a diversified investment company.

In general, the Advisor will not consider the rate of portfolio turnover to be a limiting factor in determining when or whether to purchase or sell securities in order to achieve the Fund's objective. The Fund may engage in portfolio trading when considered appropriate, but short-term trading will not be used as the primary means of achieving its investment objective. However, there are no limits on the rate of portfolio turnover, and investments may be sold without regard to length of time held when, in the opinion of the Advisor, investment considerations warrant such action. A higher turnover rate results in correspondingly greater brokerage commissions and other transactional expenses which are borne by the Fund. High portfolio turnover may result in the realization of net short-term capital gains by the Fund which, when distributed to stockholders, will be taxable as ordinary income.

WHAT ARE THE PRINCIPAL RISKS OF INVESTING IN THE FORWARD SELECT INCOME FUND?

Because the value of the Fund's investments will fluctuate with market conditions, so will the value of your investment in the Fund. You could lose money on your investment in the Fund, or the Fund could underperform other investments. Some of the Fund's holdings may underperform its other holdings. The Fund will be significantly exposed to the risks of the real estate market. The Fund is non-diversified, which means that it is more vulnerable to risks affecting a particular issuer than a diversified fund. More specifically, the Fund may be affected by the various types of risks discussed below.

The Fund's real estate security investments expose it to the risks of the commercial real estate market. Real estate values (and the values of real estate-related securities) fluctuate with changes in general and local economic conditions such as overbuilding, employment conditions, operating costs and factors affecting particular neighborhoods. Real estate values are also affected by changes in interest rates and governmental actions such as tax and zoning changes, rent restrictions, and infrastructure maintenance. The value of REIT securities can, additionally, be affected by changes in tax law for REITs, or failure of a particular REIT to qualify for favorable tax treatment.

While the Fund intends to comply with tax laws applicable to investment companies which require it to be diversified as to at least half of its assets, the Fund's non-diversified status means that it is able to concentrate up to half its portfolio in the securities of a few issuers. Should the Fund pursue this strategy, it would be more exposed to risks affecting those issuers than if it held a more diversified portfolio.

The Fund may borrow amounts up to one-third of the value of its assets and may use borrowed funds to purchase securities for the Fund. This practice, known as "leveraging," will increase returns to the Fund if the additional securities purchased increase in value more than the interest and other costs of borrowing. If the additional securities lose value, however, the loss to the Fund will be greater than if borrowed funds had not been used to make the purchase. Thus, while leveraging may produce higher returns leveraging is also considered to increase risk.

The Fund may loan certain securities in its portfolio. The loan will be fully collateralized and marked-to-market throughout the period of the loan. The Fund may experience delays in getting the securities returned and may not receive mark-to-market payments if the borrower enters bankruptcy or has other financial problems.

Short sales can cause a loss to the Fund if the price of the security sold short increases between the date of the short sale and the date on which the Fund must settle the transaction.

Restricted securities are not registered for public sale and thus cannot easily be disposed of by the Fund, particularly at a desirable price. Because they are not publicly traded, they may also be difficult to price accurately.

- ***Credit Risk***

The value of the Fund's debt instruments will generally decline if the credit rating of the issuer declines, while their value will be favorably affected by an increased credit rating. Also, an issuer whose credit rating has declined may be unable to make payments of principal and/or interest.

- ***Interest Rate Risk***

In addition to the sensitivity of real estate-related securities to changes in interest rates, the value of the Fund's investments in debt instruments will tend to fall if current interest rates increase and to rise if current interest rates decline.

- ***Market Risk***

The Fund's portfolio securities can be affected by events that affect the securities markets generally or particular segments of the market in which the Fund has invested. Factors that are part of market risk include interest rate fluctuations, quality of instruments in the Fund's portfolio, national and international economic and political conditions and general market conditions and market psychology.

- ***Equity Risk***

The value of the equity securities held by the Fund, and thus of the Fund's shares, can fluctuate - at times dramatically. The prices of equity securities are affected by various factors, including market conditions, political and other events, and developments affecting the particular issuer or its industry or geographic sector.

- ***Non-Diversification Risk***

The Fund is a non-diversified fund, which means it is subject to relaxed limits on the percentage of its assets that may be invested in the securities of a single issuer. The Fund must, however, comply with tax diversification regulations, which require it to be diversified at each quarter end with respect to at least half of its assets.

As a "non-diversified" mutual fund, the Fund has the ability to invest a larger percentage of its assets in the securities of a smaller number of issuers than a "diversified" fund. Because the appreciation or depreciation of a single portfolio security may have a greater impact on the net asset value of the Fund, the net asset value per share of the Fund can be expected to fluctuate more than that of a comparable diversified fund.

- ***Hedging Risks***

The Fund's hedging activities, although they are designed to help offset negative movements in the markets for the Fund's investments, will not always be successful. Moreover, they can cause the Fund to lose money or fail to get the benefit of a gain. Among other things, these negative effects can occur if the market moves in a direction that the Fund's investment advisor does not expect or if the Fund cannot close out its position in a hedging instrument.

- ***Securities Lending Risk***

There is the risk that when lending portfolio securities, the securities may not be available to the Fund on a timely basis and the Fund may, therefore, lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could have a leveraging effect, which may intensify the market risk, credit risk and other risks associated with investments in the Fund.

- ***Borrowing***

The Fund may borrow subject to certain limits. Borrowing may exaggerate the effect of any increase or decrease in the value of portfolio securities or the NAV of the Fund, and money borrowed will be subject to interest costs. Interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Under adverse market conditions, the Fund might have to sell portfolio securities to meet interest or principal payments at a time when fundamental investment considerations would not favor such sales.

- ***Restricted and Illiquid Securities Risk***

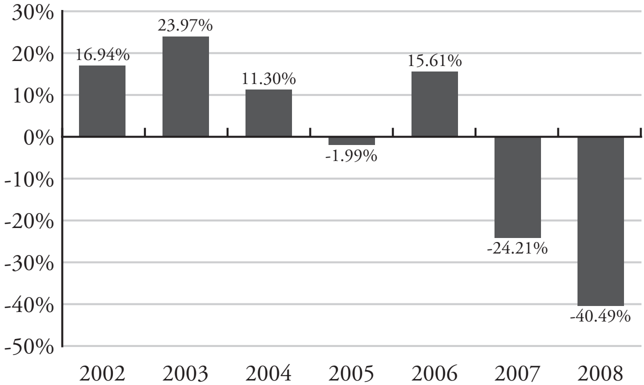
If a security is illiquid, the Fund may not be able to sell the security at a time when the Advisor might wish to sell, and the security could have the effect of decreasing the overall level of the Fund's liquidity. Further, the lack of an established secondary market may make it more difficult to value illiquid securities, which could vary from the amount the Fund could realize upon disposition. Restricted securities, i.e., securities subject to legal or contractual restrictions on resale, may be illiquid. However, some restricted securities may be treated as liquid, although they may be less liquid than registered securities traded on established secondary markets.

PERFORMANCE HISTORY

The following bar chart shows the annual total return of the Class A shares of the Forward Select Income Fund for the years indicated, together with the best and worst quarters during those years. Class B and Class C have similar annual returns because all Classes of shares are invested in the same portfolio of securities, although annual returns differ to the extent the Classes do not have the same expenses. The bar chart does not reflect the Class A shares' maximum 5.75% sales charge (load), which would reduce performance. If the sales charge were reflected, returns would be less than those shown.

The accompanying table gives an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for one year, five years, ten years, as applicable and since inception compare with those of a broad measure of market performance. The returns assume reinvestment of dividends and distributions. Past performance (before and after taxes) is not necessarily an indication of future performance.

The Forward Select Income Fund began operations as the Kensington Select Income Fund, an investment portfolio of The Kensington Funds. On June 12, 2009, the Kensington Select Income Fund was reorganized as the Forward Select Income Fund, a new portfolio of the Forward Funds. Performance figures shown below represent performance of the Class A shares of the Kensington Select Income Fund.*



Best Quarter - June 30, 2003	10.62%
Worst Quarter - September 30, 2008	-23.83%

* *In connection with the reorganization, the Forward Select Income Fund changed investment advisor to Forward Management, LLC.*

Average Annual Total Returns *For the period ended December 31, 2008*	1 Year	5 Years	Since Inception
Class A Shares(1)			
Return Before Taxes	-43.90%	-11.72%	-0.01%
Return After Taxes on Distributions(2)	-45.24%	-13.69%	-2.56%
Return After Taxes on Distributions and Sale of Fund Shares(2)	-27.83%	-9.72%	-0.69%
Class B Shares(1)			
Return Before Taxes	-43.63%	-11.60%	-0.02%
Class C Shares(1)			
Return Before Taxes	-41.52%	-11.37%	-0.02%
Merrill Lynch Preferred Index(3)	-25.27%	-5.32%	-0.60%

(1) *The Fund began offering Class A, Class B and Class C shares on March 30, 2001.*

(2) *After-tax returns are calculated using the historical highest individual Federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax deferred arrangements, such as 401(k) plans or individual retirement accounts.*

(3) *The Merrill Lynch Preferred Index is a capitalization-weighted index of preferred stock issues that is generally representative of the market for preferred securities. Investors cannot invest directly in an index. The index figures do not reflect any deduction for fees, expenses or taxes.*

FUND FEES AND EXPENSES

The following information describes the fees and expenses that you may pay if you buy and hold shares of the Forward Select Income Fund.

Shareholder Fees

As an investor in Class A shares of the Fund, you will pay a maximum sales charge (load) on purchases equal to 5.75% of the offering price.

Shareholder Fees:

Fees paid directly from your investment	Class A	Class B	Class C
Maximum Sales Charge (Load) on purchases (as a percentage of offering price)	5.75%	None	None
Maximum Deferred Sales Charge for shares held less than 1 year (as a percentage of the lesser of original purchase price or redemption proceeds)	None	5.00%*	1.00%

Annual Fund Operating Expenses

Annual fund operating expenses are paid directly out of the Fund's assets. These expenses are not charged directly to shareholder accounts. They are expressed as a ratio which is a percentage of average daily net assets.

Annual Fund Operating Expenses:

Expenses that are deducted from Fund assets	Class A	Class B	Class C
Management Fee	1.00%	1.00%	1.00%
Distribution (12b-1) Fees(1)	0.25%	0.75%	0.75%
Shareholder Services Fees(2)	0.00%	0.25%	0.25%
Other Expenses(3)	0.27%	0.27%	0.27%
Dividend and Interest Expense	0.78%	0.78%	0.78%
Total Other Expenses	1.05%	1.05%	1.05%
Acquired Fund Fees and Expenses(4)	0.11%	0.11%	0.11%
Total Annual Fund Operating Expenses	2.41%	3.16%	3.16%
Fee Waiver(5)	0.00%	0.00%	0.00%
Net Expenses	2.41%	3.16%	3.16%

* *The deferred sales charge on Class B shares declines over seven years, starting with redemptions in year one and ending with redemptions in year seven as follows: 5.00%, 4.00%, 3.00%, 3.00%, 2.00%, 1.00%, 0.00%. Class B shares then automatically convert to Class A shares after 8 years on the 3rd business day of the month in which they were originally purchased.*

(1) *The Fund has adopted Distribution Plans pursuant to which up to 0.35%, of the Fund's average daily net assets attributable to the Class A shares, up to 0.75% of the Fund's average daily net assets attributable to the Class B shares, and up to 0.75% of the Fund's average daily net assets attributable to the Class C shares may be used to pay distribution expenses.*

(2) *The Fund has adopted a Shareholder Services Plan pursuant to which up to 0.20% of the Fund's average daily net assets attributable to Class A shares, up to 0.25% of the Fund's average daily net assets attributable to Class B shares, and up to 0.25% of the Fund's average daily net assets attributable to Class C shares may be used to pay shareholder servicing fees.*

(3) *Other Expenses are based on estimated amounts for the current fiscal year.*

(4) *The Fund indirectly bears a pro rata share of the fees and expenses of each exchange-traded fund or other investment company in which it invests. Since "Acquired Fund Fees and Expenses" are not directly borne by the Fund, they are not reflected in the Fund's financial statements, and therefore information presented in the Annual Fund Operating Expenses table will differ from that presented in the Financial Highlights.*

(5) *The Fund's investment advisor has contractually agreed to waive a portion of its fees and reimburse other expenses until June 30, 2011 in amounts necessary to limit the Fund's operating expenses (exclusive of brokerage costs, interest, taxes, dividends, acquired fund fees and expenses, and extraordinary expenses) for Class A shares, Class B shares and Class C shares to an annual rate (as a percentage of the Fund's average daily net assets) of 1.60%, 2.35% and 2.35%, respectively. Pursuant to these agreements, the Fund will reimburse the investment advisor for any fee waivers and expense reimbursements made by the investment advisor, provided that any such reimbursements made by the Fund to the investment advisor will not cause the Fund's expense limitation to exceed the expense limitation in existence at the time the expenses were incurred or at the time of the reimbursement, whichever is lower, and the reimbursement is made within three years after the expenses were incurred.*

EXAMPLES

These Examples are intended to help you compare the costs of investing in the Forward Select Income Fund with the costs of investing in other mutual funds.

The Examples assume that you invest $10,000 in the Class A, Class B, and Class C shares of the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Examples also assume that your investment has a 5% return each year, that the Fund's total annual operating expenses remain the same and that the contractual fee waiver is in place for the first two years. Although actual costs may be higher or lower, based on these assumptions your costs would be:

	Class A	Class B*	Class C*
1 Year	$805	$819	$419
3 Years	$1,283	$1,274	$974
5 Years	$1,786	$1,853	$1,653
10 Years	$3,160	$3,290	$3,462

You would pay the following expenses if you did not redeem your shares:

	Class A	Class B	Class C
1 Year	$805	$319	$319
3 Years	$1,283	$974	$974
5 Years	$1,786	$1,653	$1,653
10 Years	$3,160	$3,290	$3,462

* *The example reflects the applicable contingent deferred sales charge ("CDSC"). For more information regarding the CDSC, please see the "Purchasing Shares" section of this Prospectus.*

OBJECTIVE

The Fund seeks total return through a combination of high current income relative to equity investment alternatives, plus long term growth of capital.

PRINCIPAL INVESTMENT STRATEGIES

The Fund pursues its objective by investing primarily in securities of companies in the real estate industry, such as real estate investment trusts ("REITs"), master limited partnerships and other real estate firms. Its investments in these issuers may include common, preferred and convertible stock, debt obligations and other senior securities, rights and warrants to purchase securities, and limited partnership interests. The Fund may invest in both U.S. and non-U.S. real estate securities.

The Advisor uses a variety of strategies in managing the Fund's investments. It may engage in transactions designed to hedge against changes in the price of the Fund's portfolio securities, such as purchasing put options or selling securities short. The Fund may also leverage its portfolio by borrowing money to purchase securities, and it may lend its portfolio securities to generate additional income. The Fund may also purchase restricted securities (securities which are deemed to be not readily marketable).

Under normal market conditions, at least 80% of the Fund's net assets plus borrowings for investment purposes, if any, will be invested in securities of issuers engaged primarily in the real estate business. This investment policy and the name of the Fund with respect to real estate-focused securities may not be changed without at least 60 days prior written notice to shareholders. The Fund will deem an issuer to be primarily in the real estate business if it derives at least 50% of its revenues from the ownership, construction, financing, management or sale of commercial, industrial, or residential real estate or if it has at least 50% of its assets invested in real estate. Real estate companies may include REITs, real estate operating companies, companies operating businesses that own a substantial amount of real estate (such as hotels and assisted living facilities) and development companies. For liquidity, the Fund will normally invest a portion of its assets in high quality debt securities (securities rated within the top two rating categories by a nationally recognized rating agency), money market instruments and repurchase agreements. For temporary defensive purposes, under unusual market conditions, the Fund may invest in these instruments without limit. During periods that the Fund is investing defensively, it will not be pursuing its investment objective.

The Fund may invest in companies located in developing countries, i.e., those countries that are in the initial stages of their industrial cycles.

The Fund may also invest in securities of foreign companies in the form of American Depositary Receipts (ADRs) and European Depositary Receipts (EDRs). Generally, ADRs in registered form are dollar denominated securities designed for use in the U.S. securities markets, which represent and may be converted into an underlying foreign security. EDRs, in bearer form, are designed for use in the European securities markets.

The Fund may engage in foreign currency transactions, including foreign currency forward contracts, options, swaps and other similar strategic transactions in connection with its investments in securities of non-U.S. companies.

The Fund is not a diversified investment company, which means that it may invest greater proportions of its assets in individual issuers than a diversified investment company.

The Fund may determine to limit sales of its shares from time to time, depending on the range of attractive investment opportunities available to it. The Fund intends to close to new investors upon reaching a net asset value equal to 0.50% of the then current market capitalization of the FTSE NAREIT Composite Index and reopen for such periods as the Fund's net assets fall below such 0.50%. Any closing of the Fund under these provisions will occur beginning 45 days after the close of the quarter in which the Fund reaches, and continues to have, a size which triggers such closing. The Fund will reopen to new investors on the first day of any month following a drop below this 0.50% level, provided the Fund is still below that level. Existing shareholders may continue to make additional investments after any such closing.

Due to its trading strategies, the Fund may experience a portfolio turnover rate of over 100%. Funds with high turnover rates (over 100%) often have higher transaction costs (which are paid by the Fund) and may generate short-term capital gains (on which you will pay taxes, even if you do not sell any shares by year-end). In general, the Advisor will not consider the rate of portfolio turnover to be a limiting factor in determining when or whether to purchase or sell securities in order to achieve the Fund's objective.

WHAT ARE THE PRINCIPAL RISKS OF INVESTING IN THE FORWARD STRATEGIC REALTY FUND?

Because the value of the Fund's investments will fluctuate with market conditions, so will the value of your investment in the Fund. You could lose money on your investment in the Fund, or the Fund could underperform other investments. Some of the Fund's holdings may underperform its other holdings. The Fund will be significantly exposed to the risks of the real estate market. The Fund is nondiversified, which means that it is more vulnerable to risks affecting a particular issuer than a diversified fund would be. Additionally, the Fund can buy securities with borrowed money (a form of leverage), which can magnify the Fund's gains and losses. The Fund may invest in non-U.S. securities and is therefore subject to risks related to investment outside the U.S. including currency risk, political risk and regulatory risk. More specifically, the Fund may be affected by the following types of risks:

The Fund's real estate security investments expose it to the risks of the commercial real estate market. Real estate values (and the values of real estate-related securities) fluctuate with changes in general and local economic conditions such as overbuilding, employment conditions, operating costs and factors affecting particular neighborhoods. Real estate values are also affected by changes in interest rates and governmental actions such as tax and zoning changes, rent restrictions, and infrastructure maintenance. The value of REIT securities can, additionally, be affected by changes in tax law for REITs, or failure of a particular REIT to qualify for favorable tax treatment.

While the Fund intends to comply with tax laws applicable to investment companies which require it to be diversified as to at least half of its assets, the Fund's non-diversified status means that it is able to concentrate up to half it portfolio in the securities of a few issuers. Should the Fund pursue this strategy, it would be more exposed to risks affecting those issuers than if it held a more diversified portfolio.

The Fund may borrow amounts up to one-third of the value of its assets and may use borrowed funds to purchase securities for the Fund. This practice, known as "leveraging," will increase returns to the Fund if the additional securities purchased increase in value more than the interests and other costs of borrowing. If the additional securities lose value, however, the loss to the Fund will be greater than if borrowed funds had not been used to make the purchase. Thus, leveraging is considered to increase risk.

The Fund may loan certain securities in its portfolio. The loan will be fully collateralized and marked-to-market throughout the period of the loan. The Fund may experience delays in getting the securities returned and may not receive mark-to-market payments if the borrower enters bankruptcy or has other financial problems.

Short sales can cause a loss to the Fund if the price of the security sold short increases between the date of the short sale and the date on which the Fund must settle the transaction.

Restricted securities are not registered for public sale and thus cannot easily be disposed of by the Fund, particularly at a desirable price. Because they are not publicly traded, they may also be difficult to price accurately.

- ***Equity Risk***

The value of the equity securities held by the Fund, and thus of the Fund's shares, can fluctuate - at times dramatically. The prices of equity securities are affected by various factors, including market conditions, political and other events, and developments affecting the particular issuer or its industry or geographic sector.

- ***Market Risk***

The Fund's portfolio securities can be affected by events that affect the securities markets generally or particular segments of the market in which the Fund has invested. Factors that are part of market risk include interest rate fluctuations, quality of instruments in the Fund's portfolio, national and international economic and political conditions and general market conditions and market psychology.

- ***Interest Rate Risk***

In addition to the sensitivity of real estate-related securities to changes in interest rates, the value of the Fund's investments in debt instruments will tend to fall if current interest rates increase and to rise if current interest rates decline.

- ***Credit Risk***

The value of the Fund's debt instruments will generally decline if the credit rating of the issuer declines, while their value will be favorably affected by an increased credit rating. Also, an issuer whose credit rating has declined may be unable to make payments of principal and/or interest.

- ***Non-Diversification Risk***

The Fund is a non-diversified fund, which means it is subject to relaxed limits on the percentage of its assets that may be invested in the securities of a single issuer. The Fund must, however, comply with tax diversification regulations, which require it to be diversified at each quarter end with respect to at least half of its assets.

As a "non-diversified" mutual fund, the Fund has the ability to invest a larger percentage of its assets in the securities of a smaller number of issuers than a "diversified" fund. Because the appreciation or depreciation of a single portfolio security may have a greater impact on the net asset value of the Fund, the net asset value per share of the Fund can be expected to fluctuate more than that of a comparable diversified fund.

- ***Hedging Risks***

The Fund's hedging activities, although they are designed to help offset negative movements in the markets for the Fund's investments, will not always be successful. Moreover, they can also cause the Fund to lose money or fail to get the benefit of a gain. Among other things, these negative effects can occur if the market moves in a direction that the Fund's investment adviser does not expect or if the Fund cannot close out its position in a hedging instrument.

- ***Securities Lending Risk***

There is the risk that when lending portfolio securities, the securities may not be available to the Fund on a timely basis and the Fund may, therefore, lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could have a leveraging effect, which may intensify the market risk, credit risk and other risks associated with investments in the Fund.

- ***Borrowing***

The Fund may borrow subject to certain limits. Borrowing may exaggerate the effect of any increase or decrease in the value of portfolio securities or the NAV of the Fund, and money borrowed will be subject to interest costs. Interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Under adverse market conditions, the Fund might have to sell portfolio securities to meet interest or principal payments at a time when fundamental investment considerations would not favor such sales.

- ***Restricted and Illiquid Securities Risk***

If a security is illiquid, the Fund may not be able to sell the security at a time when the Advisor might wish to sell, and the security could have the effect of decreasing the overall level of the Fund's liquidity. Further, the lack of an established secondary market may make it more difficult to value illiquid securities, which could vary from the amount the Fund could realize upon disposition. Restricted securities, i.e., securities subject to legal or contractual restrictions on resale, may be illiquid. However, some restricted securities may be treated as liquid, although they may be less liquid than registered securities traded on established secondary markets.

• ***Risks of Investing in Foreign Securities***

Foreign investments may be riskier than U.S. investments for many reasons, including changes in currency exchange rates, unstable political, social and economic conditions, possible security illiquidity, a lack of adequate or accurate company information, differences in the way securities markets operate, less secure foreign banks or securities depositories than those in the U.S., and foreign controls on investment.

In addition, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rates of inflation, capital reinvestment, resources, self-sufficiency, and balance of payments position. Also, certain investments in foreign securities also may be subject to foreign withholding taxes.

• ***Political Risk***

The value of the Fund's foreign investments may be adversely affected by political and social instability in their home countries and by changes in economic or taxation policies in those countries. Investments in foreign securities will expose the Fund to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. Certain countries in which the Fund may invest, especially emerging market countries, have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations, large amounts of external debt, balance of payments and trade difficulties and extreme poverty and unemployment. Many of these countries are also characterized by political uncertainty and instability. The cost of servicing external debt will generally be adversely affected by rising international interest rates because many external debt obligations bear interest at rates that are adjusted based upon international interest rates. In addition, with respect to certain foreign countries, there is a risk of the possibility of expropriation of assets, confiscatory taxation, difficulty in obtaining or enforcing a court judgment, economic, political or social instability, and diplomatic developments that could affect investments in those countries.

• ***Overseas Exchanges Risk***

The Fund may engage in transactions on a number of overseas stock exchanges. It is possible that market practices relating to clearance and settlement of securities transactions and custody of assets can pose increased risk to the Fund and may involve delays in obtaining accurate information on the value of securities (which may, as a result affect the calculation of the Fund's net asset value per share ("NAV")).

The Fund may engage in transactions in the stock markets of emerging market countries. Emerging market country stock markets, in general, are less liquid, smaller and less regulated than many of the developed country stock markets. Purchases and sales of investments may take longer than would otherwise be expected on developed stock markets and transactions may need to be conducted at unfavorable prices.

• ***Foreign Currency Risk***

Although the Fund will report its net asset value and pay dividends in U.S. dollars, foreign securities often are purchased with and make interest payments in foreign currencies. Therefore, when the Fund invests in foreign securities, it will be subject to foreign currency risk, which means that the Fund's net asset value could decline as a result of changes in the exchange rates between foreign currencies and the U.S. dollar. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payment of principal and interest to investors located outside the country, due to blockage of foreign currency exchanges or otherwise. Furthermore, insofar as the Fund invests in emerging markets, there is a higher risk of currency depreciation. Historically, most emerging market country currencies have experienced significant depreciation against the U.S. dollar. Some emerging market country currencies may continue to fall in value against the U.S. dollar.

- ***Currency Hedging Risk***

The Fund may engage in various investments that are designed to hedge the Fund's foreign currency risks. While these transactions will be entered into to seek to manage these risks, these investments may not prove to be successful or may have the effect of limiting the gains from favorable market movements.

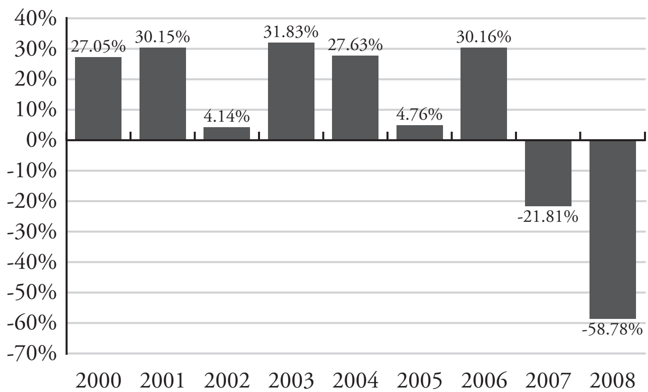
As a result of these potential risks, the Advisor may determine that, notwithstanding otherwise favorable investment criteria, it may not be practicable or appropriate to invest in a particular country. The Fund may invest in countries in which foreign investors, including the Advisor, have had no or limited prior experience.

PERFORMANCE HISTORY

The following bar chart shows the annual total return of the Class A shares of the Forward Strategic Realty Fund for the years indicated, together with the best and worst quarters during those years. Class B and Class C shares have similar annual returns because all Classes of shares are invested in the same portfolio of securities, although annual returns differ to the extent the Classes do not have the same expenses. The bar chart does not reflect the Class A shares' maximum 5.75% sales charge (load), which would reduce performance. If the sales charge were reflected, returns would be less than those shown.

The accompanying table gives an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for one year, five years, ten years, as applicable and since inception compare with those of a broad measure of market performance. The returns assume reinvestment of dividends and distributions. Past performance (before and after taxes) is not necessarily an indication of future performance.

The Forward Strategic Realty Fund began operations as the Kensington Strategic Realty Fund, an investment portfolio of The Kensington Funds. On June 12, 2009, the Kensington Strategic Realty Fund was reorganized as the Forward Strategic Realty Fund, a new portfolio of the Forward Funds. Performance figures shown below represent performance of the Class A shares of the Kensington Strategic Realty Fund.*



Best Quarter - December 31, 2004	18.28%
Worst Quarter - December 31, 2008	-50.61%

* *In connection with the reorganization, the Forward Strategic Realty Fund changed investment advisor to Forward Management, LLC.*

Average Annual Total Returns *For the period ended December 31, 2008*	1 Year	5 Years	Since Inception
Class A Shares(1) Return Before Taxes	-61.15%	-11.97%	4.20%
Return After Taxes on Distributions(2)	-62.06%	-14.45%	1.00%
Return After Taxes on Distributions and Sale of Fund Shares(2)	-39.20%	-8.87%	3.39%
Class B Shares(1) Return Before Taxes	-60.93%	-11.77%	4.10%
Class C Shares(1) Return Before Taxes	-59.46%	-11.58%	4.09%
FTSE NAREIT Composite Index(3)	-37.84%	-0.68%	7.59%

(1) The Fund began offering Class A, Class B and Class C shares on September 15, 1999.

(2) After-tax returns are calculated using the historical highest individual Federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax deferred arrangements, such as 401(k) plans or individual retirement accounts.

(3) The FTSE NAREIT Composite Index is an unmanaged index consisting of approximately 200 Real Estate Investment Trust stocks. Investors cannot invest directly in an index. The index figures do not reflect any deduction for fees, expenses or taxes.

FUND FEES AND EXPENSES

The following information describes the fees and expenses that you may pay if you buy and hold shares of the Forward Strategic Realty Fund.

Shareholder Fees

As an investor in Class A shares of the Fund, you will pay a maximum sales charge (load) on purchases equal to 5.75% of the offering price.

Shareholder Fees: *Fees paid directly from your investment*	Class A	Class B	Class C
Maximum Sales Charge (Load) on purchases (as a percentage of offering price)	5.75%	None	None
Maximum Deferred Sales Charge for shares held less than 1 year (as a percentage of the lesser of original purchase price or redemption proceeds)	None	5.00%*	1.00%

Annual Fund Operating Expenses

Annual fund operating expenses are paid directly out of the Fund's assets. These expenses are not charged directly to shareholder accounts. They are expressed as a ratio which is a percentage of average daily net assets.

Annual Fund Operating Expenses: *Expenses that are deducted from Fund assets*	Class A	Class B	Class C
Management Fee	1.00%	1.00%	1.00%
Distribution (12b-1) Fees(1)	0.25%	0.75%	0.75%
Shareholder Services Fees(2)	0.00%	0.25%	0.25%
Other Expenses(3)	0.29%	0.29%	0.29%
Dividend and Interest Expense	1.08%	1.08%	1.08%
Total Other Expenses	1.37%	1.37%	1.37%
Acquired Fund Fees and Expenses(4)	0.08%	0.08%	0.08%
Total Annual Fund Operating Expenses	2.70%	3.45%	3.45%
Fee Waiver(5)	0.00%	0.00%	0.00%
Net Expenses	2.70%	3.45%	3.45%

* *The deferred sales charge on Class B shares declines over seven years, starting with redemptions in year one and ending with redemptions in year seven as follows: 5.00%, 4.00%, 3.00%, 3.00%, 2.00%, 1.00%, 0.00%. Class B shares then automatically convert to Class A shares after 8 years on the 3rd business day of the month in which they were originally purchased.*

(1) *The Fund has adopted Distribution Plans pursuant to which up to 0.35%, of the Fund's average daily net assets attributable to the Class A shares, up to 0.75% of the Fund's average daily net assets attributable to the Class B shares, and up to 0.75% of the Fund's average daily net assets attributable to the Class C shares may be used to pay distribution expenses.*

(2) *The Fund has adopted a Shareholder Services Plan pursuant to which up to 0.20% of the Fund's average daily net assets attributable to Class A shares, up to 0.25% of the Fund's average daily net assets attributable to Class B shares, and up to 0.25% of the Fund's average daily net assets attributable to Class C shares may be used to pay shareholder servicing fees.*

(3) *Other Expenses are based on estimated amounts for the current fiscal year.*

(4) The Fund indirectly bears a pro rata share of the fees and expenses of each exchange-traded fund or other investment company in which it invests. Since "Acquired Fund Fees and Expenses" are not directly borne by the Fund, they are not reflected in the Fund's financial statements, and therefore information presented in the Annual Fund Operating Expenses table will differ from that presented in the Financial Highlights.

(5) The Fund's investment advisor has contractually agreed to waive a portion of its fees and reimburse other expenses until June 30, 2011 in amounts necessary to limit the Fund's operating expenses (exclusive of brokerage costs, interest, taxes, dividends, acquired fund fees and expenses, and extraordinary expenses) for Class A shares, Class B shares and Class C shares to an annual rate (as a percentage of the Fund's average daily net assets) of 2.15%, 2.90% and 2.90%, respectively. Pursuant to these agreements, the Fund will reimburse the investment advisor for any fee waivers and expense reimbursements made by the investment advisor, provided that any such reimbursements made by the Fund to the investment advisor will not cause the Fund's expense limitation to exceed the expense limitation in existence at the time the expenses were incurred or at the time of the reimbursement, whichever is lower, and the reimbursement is made within three years after the expenses were incurred.

EXAMPLES

These Examples are intended to help you compare the costs of investing in the Forward Strategic Realty Fund with the costs of investing in other mutual funds.

The Examples assume that you invest $10,000 in the Class A, Class B, and Class C shares of the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Examples also assume that your investment has a 5% return each year, that the Fund's total annual operating expenses remain the same and that the contractual fee waiver is in place for the first two years. Although actual costs may be higher or lower, based on these assumptions your costs would be:

	Class A	Class B*	Class C*
1 Year	$832	$848	$448
3 Years	$1,365	$1,359	$1,059
5 Years	$1,922	$1,992	$1,792
10 Years	$3,428	$3,558	$3,725

You would pay the following expenses if you did not redeem your shares:

	Class A	Class B	Class C
1 Year	$832	$348	$348
3 Years	$1,365	$1,059	$1,059
5 Years	$1,922	$1,792	$1,792
10 Years	$3,428	$3,558	$3,725

* *The example reflects the applicable contingent deferred sales charge ("CDSC"). For more information regarding the CDSC, please see the "Purchasing Shares" section of this Prospectus.*

OBJECTIVE

The investment objective of the Fund is to seek total return through capital appreciation and current income. The Fund invests primarily in global infrastructure-related securities.

PRINCIPAL INVESTMENT STRATEGIES

The Fund seeks to meet its objective by investing, under normal market conditions, at least 80% of its net assets plus borrowings for investment purposes, if any, in U.S. and non-U.S. infrastructure-related securities issued by companies involved in the construction, development, financing or operation of infrastructure assets. This investment policy and the name of the Fund with respect to infrastructure-focused securities may not be changed without at least 60 days prior written notice to shareholders. Infrastructure assets are the physical structures and networks that provide necessary services to society such as transportation and communications networks; water, sewer and energy utilities; energy storage and transportation; and public service facilities. Infrastructure-related businesses may also provide the services and raw materials necessary for the construction and maintenance of infrastructure assets, including mining, shipping, timber, steel, alternative energy, agriculture and energy production and exploration. In complying with this 80% investment requirement, the Fund may invest in common, convertible and preferred stock, debt securities and limited partnership interests, and its investments may include other securities, such as synthetic instruments. Synthetic instruments are investments that have economic characteristics similar to the Fund's direct investments, and may include rights, warrants, futures, options, exchange-traded funds, American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts. Under normal market conditions, the Fund will invest significantly (at least 40% of its net assets - unless market conditions are not deemed favorable by the Advisor, in which case the Fund would invest at least 30% of its net assets) in the securities of issuers organized or located outside the U.S. and that during the company's most recent fiscal year, derived at least 50% of its revenues or profits from goods or services produced or sold, investments made or services performed in a country outside of the U.S., or it has at least 50% of its assets in a country outside the U.S. The Fund will allocate its assets among various regions and countries, including the U.S. (but in no less than three different countries). The Fund considers a company to be an infrastructure related company if at least 50% of its assets, gross income or net profits are attributable to infrastructure operations. Any percentage limitations with respect to assets of the Fund are applied at the time of purchase.

In addition to the Fund's focus on investments in mature infrastructure networks that generate positive cash flow and relatively stable revenue streams, the Fund will seek opportunities to participate in the growth in global infrastructure spending. The Fund may invest in companies located in developing countries, *i.e.*, those countries that are in the initial stages of their industrial cycles. For cash management purposes, the Fund may also hold a portion of its assets in cash or cash equivalents, including shares of money market funds.

The Fund may also invest in securities of foreign companies in the form of American Depositary Receipts (ADRs) and European Depositary Receipts (EDRs). Generally, ADRs in registered form are dollar denominated securities designed for use in the U.S. securities markets, which represent and may be converted into an underlying foreign security. EDRs, in bearer form, are designed for use in the European securities markets.

The Fund may engage in foreign currency transactions, including foreign currency forward contracts, options, swaps and other similar strategic transactions in connection with its investments in securities of non-U.S. companies.

The Advisor allocates the Fund's assets among securities of countries and in currency denominations that are expected to provide the best opportunities for meeting the Fund's investment objective. In analyzing specific companies for possible investment, the Advisor utilizes fundamental investment analysis and quantitative securities analysis to select investments for the Fund, including analyzing a company's management and strategic focus, evaluating the location, physical attributes and cash flow generating capacity of a company's assets and calculating relative return potential among other things. The Advisor considers whether to sell a particular security when any of these factors materially changes.

The Advisor uses a variety of strategies in managing the Fund's investments. It may engage in transactions designed to hedge against changes in the price of the Fund's portfolio securities, such as purchasing put options or selling securities short. The Fund has the ability to leverage its portfolio by borrowing money to purchase securities, and it may lend its portfolio securities to generate additional income. The Fund may purchase restricted securities (securities which are deemed to be not readily marketable). In anticipation of or in response to adverse market or other conditions, or atypical circumstances such as unusually large cash inflows or redemptions, the Fund may temporarily hold all or a portion of its assets in cash, cash equivalents, or high-quality debt instruments. As a result, the Fund may not achieve its investment objective.

The Fund is not a diversified investment company, which means that it may invest greater proportions of its assets in individual issuers than a diversified investment company.

The Fund may determine to limit sales of its shares from time to time, depending on the range of attractive investment opportunities available to it. The Fund may be closed to new investors at the discretion of the Advisor. Existing shareholders may continue to make additional investments after any such closing.

In general, the Advisor will not consider the rate of portfolio turnover to be a limiting factor in determining when or whether to purchase or sell securities in order to achieve the Fund's objective. The Fund may engage in portfolio trading when considered appropriate, but short-term trading will not be used as the primary means of achieving its investment objective. However, there are no limits on the rate of portfolio turnover, and investments may be sold without regard to length of time held when, in the opinion of the Advisor, investment considerations warrant such action. A higher turnover rate results in correspondingly greater brokerage commissions and other transactional expenses which are borne by the Fund. High portfolio turnover may result in the realization of net short-term capital gains by the Fund which, when distributed to stockholders, will be taxable as ordinary income.

WHAT ARE THE PRINCIPAL RISKS OF INVESTING IN THE FORWARD GLOBAL INFRASTRUCTURE FUND?

Because the value of the Fund's investments will fluctuate with market conditions, so will the value of your investment in the Fund. You could lose money on your investment in the Fund, or the Fund could underperform other investments. Some of the Fund's holdings may underperform its other holdings. The Fund will be significantly exposed to the risks of infrastructure-related operations. The Fund is non-diversified, which means that it is more vulnerable to risks affecting a particular issuer than a diversified fund would be. The Fund invests primarily in global securities and is therefore subject to risks related to investment outside the U.S. including currency risk, political risk and regulatory risk. More specifically, the Fund may be affected by the various types of risks discussed below.

- ***Infrastructure-Related Investment Risk***

Because the Fund concentrates its investments in infrastructure-related entities, the Fund has greater exposure to the potential adverse economic, regulatory, political and other changes affecting such entities. Infrastructure-related entities are subject to a variety of factors that may adversely affect their business or operations including high interest costs in connection with capital construction programs, costs associated with environmental and other regulations, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, service interruption due to environmental, operational or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards.

- ***General Risks***

The prices of equity securities change in response to many factors, including the historical and prospective earnings of the issuer the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. Debt securities are particularly vulnerable to credit risk and interest rate fluctuations. Interest rate increases can cause the price of a debt security to decrease. The longer a debt security's duration, the more sensitive it is to this risk. The issuers of a debt security may default or otherwise be unable to honor a financial obligation.

The values of the convertible securities in which the Fund may invest also will be affected by market interest rates, the risk that the issuer may default on interest or principal payments and the value of the underlying common stock into which these securities may be converted. Specifically, since these types of convertible securities pay fixed interest and dividends, their values may fall if market interest rates rise and rise if market interest rates fall. Additionally, an issuer may have the right to buy back certain of the convertible securities at a time and at a price that is unfavorable to the Fund.

- ***Non-Diversification Risk***

The Fund is a non-diversified fund, which means it is subject to relaxed limits on the percentage of its assets that may be invested in the securities of a single issuer. The Fund must, however, comply with tax diversification regulations, which require it to be diversified at each quarter end with respect to at least half of its assets.

As a "non-diversified" mutual fund, the Fund has the ability to invest a larger percentage of its assets in the securities of a smaller number of issuers than a "diversified" fund. Because the appreciation or depreciation of a single portfolio security may have a greater impact on the net asset value of the Fund, the net asset value per share of the Fund can be expected to fluctuate more than that of a comparable diversified fund.

- ***Hedging Risk***

The Fund's hedging activities, although they are designed to help offset negative movements in the markets for the Fund's investments, will not always be successful. Moreover, they can also cause the Fund to lose money or fail to get the benefit of the gain. Among other things, these negative effects can occur if the market moves in a direction that the Fund's investment advisor does not expect or if the Fund cannot close out its position in a hedging instrument.

- ***Inability to Sell Securities Risk***

Certain securities generally trade in lower volume and may be less liquid than securities of large established companies. These less liquid securities could include securities of small- and mid-sized non-U.S. companies, high-yield securities, convertible securities, unrated debt and convertible securities, securities that originate from small offerings, and foreign securities, particularly those from companies in emerging markets. The Fund could lose money if it cannot sell a security at the time and price that would be most beneficial to the Fund.

- ***Equity Risk***

The value of the equity securities held by the Fund, and thus of the Fund's shares, can fluctuate - at times dramatically. The prices of equity securities are affected by various factors, including market conditions, political and other events, and developments affecting the particular issuer or its industry or geographic sector.

- ***Market Risk***

The Fund's portfolio securities can be affected by events that affect the securities markets generally or particular segments of the market in which the Fund has invested. Factors that are part of market risk include interest rate fluctuations, quality of instruments in the Fund's portfolio, national and international economic and political conditions and general market conditions and market psychology.

- ***Interest Rate Risk***

The value of the Fund's investments in debt instruments will tend to fall if current interest rates increase and to rise if current interest rates decline.

- ***Credit Risk***

The value of the Fund's debt instruments will generally decline if the credit rating of the issuer declines, while their value will be favorably affected by an increased credit rating. Also, an issuer whose credit rating has declined may be unable to make payments of principal and/or interest.

- ***Risks of Investing in Foreign Securities***

Foreign investments may be riskier than U.S. investments for many reasons, including changes in currency exchange rates, unstable political, social and economic conditions, possible security illiquidity, a lack of adequate or accurate company information, differences in the way securities markets operate, less secure foreign banks or securities depositories than those in the U.S., and foreign controls on investment. In addition, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rates of inflation, capital reinvestment, resources, self-sufficiency, and balance of payments position. Also, certain investments in foreign securities also may be subject to foreign withholding taxes.

- ***Political Risk***

The value of the Fund's foreign investments may be adversely affected by political and social instability in their home countries and by changes in economic or taxation policies in those countries. Investments in foreign securities will expose the Fund to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. Certain countries in which the Fund may invest, especially emerging market countries, have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations, large amounts of external debt, balance of payments and trade difficulties and extreme poverty and unemployment. Many of these countries are also characterized by political uncertainty and instability. The cost of servicing external debt will generally be adversely affected by rising international interest rates because many external debt obligations bear interest at rates that are adjusted based upon international interest rates. In addition, with respect to certain foreign countries, there is a risk of the possibility of expropriation of assets, confiscatory taxation, difficulty in obtaining or enforcing a court judgment, economic, political or social instability, and diplomatic developments that could affect investments in those countries.

- ***Overseas Exchanges Risk***

The Fund will engage in transactions on a number of overseas stock exchanges. It is possible that market practices relating clearance and settlement of securities transactions and custody of assets can pose increased risk to the fund and may involve delays in obtaining accurate information on the value of securities (which may, as a result affect the calculation of the Fund's net asset value per share ("NAV")).

The Fund may engage in transactions in the stock markets of emerging market countries. Emerging market country stock markets, in general, are less liquid, smaller and less regulated than many of the developed country stock markets. Purchases and sales of investments may take longer than would otherwise be expected on developed stock markets and transactions may need to be conducted at unfavorable prices.

- ***Foreign Currency Risk***

Although the Fund will report its net asset value and pay dividends in U.S. dollars, foreign securities often are purchased with and make interest payments in foreign currencies. Therefore, when the Fund invests in foreign securities, it will be subject to foreign currency risk, which means that the Fund's net asset value could decline as a result of changes in the exchange rates between foreign currencies and the U.S. dollar. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payment of principal and interest to investors located outside the country, due to blockage of foreign currency exchanges or otherwise. Furthermore, insofar as the Fund invests in emerging markets, there is a higher risk of currency depreciation. Historically, most emerging market country currencies have experienced significant depreciation against the U.S. dollar. Some emerging market country currencies may continue to fall in value against the U.S. dollar.

- ***Currency Hedging Risk***

The Fund may engage in various investments that are designed to hedge the Fund's foreign currency risks. While these transactions will be entered into to seek to manage these risks, these investments may not prove to be successful or may have the effect of limiting the gains from favorable market movements.

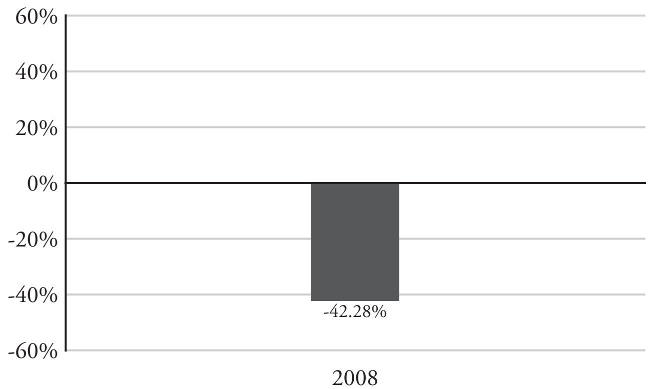
As a result of these potential risks, the Advisor may determine that, notwithstanding otherwise favorable investment criteria, it may not be practicable or appropriate to invest in a particular country. The Fund may invest in countries in which foreign investors, including the Advisor, have had no or limited prior experience.

PERFORMANCE HISTORY

The following bar chart shows the annual total return of the Class A shares of the Forward Global Infrastructure Fund for the years indicated, together with the best and worst quarters during those years. Class B and Class C shares have similar annual returns because all Classes of shares are invested in the same portfolio of securities, although annual returns differ to the extent the Classes do not have the same expenses. The bar chart does not reflect the Class A shares' maximum 5.75% sales charge (load), which would reduce performance. If the sales charge were reflected, returns would be less than those shown.

The accompanying table gives an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for one year, five years, ten years, as applicable and since inception compare with those of a broad measure of market performance. The returns assume reinvestment of dividends and distributions. Past performance (before and after taxes) is not necessarily an indication of future performance.

The Forward Global Infrastructure Fund began operations as the Kensington Global Infrastructure Fund, an investment portfolio of The Kensington Funds. On June 12, 2009, the Kensington Global Infrastructure Fund was reorganized as the Forward Global Infrastructure Fund, a new portfolio of the Forward Funds. Performance figures shown below represent performance of the Class A shares of the Kensington Global Infrastructure Fund.*



Best Quarter - June 30, 2008	-0.21%
Worst Quarter - September 30, 2008	-22.70%

* *In connection with the reorganization, the Forward Global Infrastructure Fund changed investment advisor to Forward Management, LLC.*

Average Annual Total Returns *For the period ended December 31, 2008*	1 Year	Since Inception
Class A Shares(1)		
Return Before Taxes	-45.60%	-29.27%
Return After Taxes on Distributions(2)	-45.56%	-29.23%
Return After Taxes on Distributions and Sale of Fund Shares(2)	-29.16%	-24.22%
Class B Shares(1)		
Return Before Taxes	-45.56%	-28.92%
Class C Shares(1)		
Return Before Taxes	-42.76%	-27.00%
S&P Global Infrastructure Index(3)	-38.98%	-23.78%

(1) The Fund began offering Class A, Class B and Class C shares on June 29, 2007.

(2) After-tax returns are calculated using the historical highest individual Federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax deferred arrangements, such as 401(k) plans or individual retirement accounts.

(3) The S&P Global Infrastructure Index provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. The index has balanced weights across three distinct infrastructure clusters: utilities, transportation and energy. Investors cannot invest directly in an index. The index figures do not reflect any deduction for fees, expenses or taxes.

FUND FEES AND EXPENSES

The following information describes the fees and expenses that you may pay if you buy and hold shares of the Forward Global Infrastructure Fund.

Shareholder Fees

As an investor in Class A shares of the Fund, you will pay a maximum sales charge (load) on purchases equal to 5.75% of the offering price.

Shareholder Fees:

Fees paid directly from your investment	Class A	Class B	Class C
Maximum Sales Charge (Load) on purchases (as a percentage of offering price)	5.75%	None	None
Maximum Deferred Sales Charge for shares held less than 1 year (as a percentage of the lesser of original purchase price or redemption proceeds)	None	5.00%*	1.00%

Annual Fund Operating Expenses

Annual fund operating expenses are paid directly out of the Fund's assets. These expenses are not charged directly to shareholder accounts. They are expressed as a ratio which is a percentage of average daily net assets.

Annual Fund Operating Expenses:

Expenses that are deducted from Fund assets	Class A	Class B	Class C
Management Fee	0.90%	0.90%	0.90%
Distribution (12b-1) Fees(1)	0.25%	0.75%	0.75%
Shareholder Services Fees(2)	0.00%	0.25%	0.25%
Other Expenses(3)	0.44%	0.44%	0.44%
Dividend and Interest Expense	0.01%	0.01%	0.01%
Total Other Expenses	0.45%	0.45%	0.45%
Acquired Fund Fees and Expenses(4)	0.08%	0.08%	0.08%
Total Annual Fund Operating Expenses	1.68%	2.43%	2.43%
Fee Waiver(5)	-0.09%	-0.09%	-0.09%
Net Expenses	1.59%	2.34%	2.34%

* *The deferred sales charge on Class B shares declines over seven years, starting with redemptions in year one and ending with redemptions in year seven as follows: 5.00%, 4.00%, 3.00%, 3.00%, 2.00%, 1.00%, 0.00%. Class B shares then automatically convert to Class A shares after 8 years on the 3rd business day of the month in which they were originally purchased.*

(1) *The Fund has adopted Distribution Plans pursuant to which up to 0.35%, of the Fund's average daily net assets attributable to the Class A shares, up to 0.75% of the Fund's average daily net assets attributable to the Class B shares, and up to 0.75% of the Fund's average daily net assets attributable to the Class C shares may be used to pay distribution expenses.*

(2) *The Fund has adopted a Shareholder Services Plan pursuant to which up to 0.20% of the Fund's average daily net assets attributable to Class A shares, up to 0.25% of the Fund's average daily net assets attributable to Class B shares, and up to 0.25% of the Fund's average daily net assets attributable to Class C shares may be used to pay shareholder servicing fees.*

(3) *Other Expenses are based on estimated amounts for the current fiscal year.*

(4) The Fund indirectly bears a pro rata share of the fees and expenses of each exchange-traded fund or other investment company in which it invests. Since "Acquired Fund Fees and Expenses" are not directly borne by the Fund, they are not reflected in the Fund's financial statements, and therefore information presented in the Annual Fund Operating Expenses table will differ from that presented in the Financial Highlights.

(5) The Fund's investment advisor has contractually agreed to waive a portion of its fees and reimburse other expenses until June 30, 2011 in amounts necessary to limit the Fund's operating expenses (exclusive of brokerage costs, interest, taxes, dividends, acquired fund fees and expenses, and extraordinary expenses) for Class A shares, Class B shares and Class C shares to an annual rate (as a percentage of the Fund's average daily net assets) of 1.50%, 2.25% and 2.25%, respectively. Pursuant to these agreements, the Fund will reimburse the investment advisor for any fee waivers and expense reimbursements made by the investment advisor, provided that any such reimbursements made by the Fund to the investment advisor will not cause the Fund's expense limitation to exceed the expense limitation in existence at the time the expenses were incurred or at the time of the reimbursement, whichever is lower, and the reimbursement is made within three years after the expenses were incurred.

EXAMPLES

These Examples are intended to help you compare the costs of investing in the Forward Global Infrastructure Fund with the costs of investing in other mutual funds.

The Examples assume that you invest $10,000 in the Class A, Class B, and Class C shares of the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Examples also assume that your investment has a 5% return each year, that the Fund's total annual operating expenses remain the same and that the contractual fee waiver is in place for the first two years. Although actual costs may be higher or lower, based on these assumptions your costs would be:

	Class A	Class B*	Class C*
1 Year	$727	$737	$337
3 Years	$1,057	$1,040	$740
5 Years	$1,418	$1,478	$1,278
10 Years	$2,431	$2,563	$2,748

You would pay the following expenses if you did not redeem your shares:

	Class A	Class B	Class C
1 Year	$727	$237	$237
3 Years	$1,057	$740	$740
5 Years	$1,418	$1,278	$1,278
10 Years	$2,431	$2,563	$2,748

* *The example reflects the applicable contingent deferred sales charge ("CDSC"). For more information regarding the CDSC, please see the "Purchasing Shares" section of this Prospectus.*

OBJECTIVE

The Fund seeks total return from both capital appreciation and current income through investing primarily in a portfolio of non-U.S. real estate securities.

PRINCIPAL INVESTMENT STRATEGIES

The Fund seeks to meet its objective by investing, under normal market conditions, at least 80% of its net assets plus borrowings for investment purposes, if any, in non-U.S. securities of real estate and real estate-related companies in at least three different countries. This investment policy and the name of the Fund with respect to real estate-focused securities may not be changed without at least 60 days prior written notice to shareholders. In complying with this 80% investment requirement, the Fund may invest in common, convertible and preferred stock, debt securities and limited partnership interests and its investments may include other securities, such as synthetic instruments. Synthetic instruments are investments that have economic characteristics similar to the Fund's direct investments, and may include rights, warrants, futures, options, exchange-traded funds, American Depositary Receipts, and European Depositary Receipts. The Fund may invest up to 20% of its assets in U.S. real estate and real estate-related companies.

The Fund considers a company to be a real estate-related company if at least 50% of its assets, gross income or net profits are attributable to ownership, construction, management or sale of residential, commercial or industrial real estate. These companies include equity real estate investment trusts ("REITs") that own property and mortgage REITs that make short-term construction and development mortgage loans or that invest in long-term mortgages or mortgage pools, or companies whose products and services are related to the real estate industry, such as manufacturers and distributors of building supplies and financial institutions that issue or service mortgages. A REIT is a type of U.S. real estate company that is dedicated to owning and usually operating income producing real estate or to financing real estate. REITs are not subject to U.S. corporate income tax provided they comply with a number of tax requirements, including the annual distribution to stockholders of at least 90% of their net income. A number of countries around the world have adopted, or are considering adopting, similar REIT-like structures pursuant to which these companies are not subject to corporate income tax in their home countries provided they distribute a significant percentage of their net income each year to stockholders and meet certain other requirements. Any percentage limitations with respect to assets of the Fund are applied at the time of purchase.

The Fund may invest in companies located in developing countries, *i.e.*, those countries that are in the initial stages of their industrial cycles. For cash management purposes, the Fund may also hold a portion of its assets in cash or cash equivalents, including shares of money market funds.

The Fund may also invest in securities of foreign companies in the form of American Depositary Receipts (ADRs) and European Depositary Receipts (EDRs). Generally, ADRs in registered form are dollar denominated securities designed for use in the U.S. securities markets, which represent and may be converted into an underlying foreign security. EDRs, in bearer form, are designed for use in the European securities markets.

The Fund may engage in foreign currency transactions, including foreign currency forward contracts, options, swaps and other similar strategic transactions in connection with its investments in securities of non-U.S. companies.

The portfolio managers allocate the Fund's assets among securities of countries and in currency denominations that are expected to provide the best opportunities for meeting the Fund's investment objective. In analyzing specific companies for possible investment, the portfolio managers utilize fundamental real estate analysis and quantitative securities analysis to select investments for the Fund, including analyzing a company's management and strategic focus, evaluating the location, physical attributes and cash flow generating capacity of a company's properties and calculating relative return potential among other things. The portfolio managers consider whether to sell a particular security when any of these factors materially changes.

The Advisor uses a variety of strategies in managing the Fund's investments. It may engage in transactions designed to hedge against changes in the price of the Fund's portfolio securities, such as purchasing put options or selling securities short. The Fund may also leverage its portfolio by borrowing money to purchase securities, and it may lend its portfolio securities to generate additional income. The Fund may also purchase restricted securities (securities which are deemed to be not readily marketable).

In anticipation of or in response to adverse market or other conditions, or atypical circumstances such as unusually large cash inflows or redemptions, the Fund may temporarily hold all or a portion of its assets in cash, cash equivalents, or high quality debt instruments. As a result, the Fund may not achieve its investment objective.

The Fund is not a diversified investment company, which means that it may invest greater proportions of its assets in individual issuers than a diversified investment company.

The Fund may determine to limit sales of its shares from time to time, depending on the range of attractive investment opportunities available to it. The Fund may be closed to new investors at the discretion of the Advisor. Existing shareholders may continue to make additional investments after any such closing.

In general, the Advisor will not consider the rate of portfolio turnover to be a limiting factor in determining when or whether to purchase or sell securities in order to achieve the Fund's objective. The Fund may engage in portfolio trading when considered appropriate, but short-term trading will not be used as the primary means of achieving its investment objective. However, there are no limits on the rate of portfolio turnover, and investments may be sold without regard to length of time held when, in the opinion of the Advisor, investment considerations warrant such action. A higher turnover rate results in correspondingly greater brokerage commissions and other transactional expenses which are borne by the Fund. High portfolio turnover may result in the realization of net short-term capital gains by the Fund which, when distributed to stockholders, will be taxable as ordinary income.

WHAT ARE THE PRINCIPAL RISKS OF INVESTING IN THE FORWARD INTERNATIONAL REAL ESTATE FUND?

Because the value of the Fund's investments will fluctuate with market conditions, so will the value of your investment in the Fund. You could lose money on your investment in the Fund, or the Fund could underperform other investments and the income you may receive from your investment may vary. The value of your investment in the Fund will go up and down with the prices of the securities in which the Fund invests. Some of the Fund's holdings may underperform its other holdings. The Fund will be significantly exposed to the risks of the real estate market. The Fund is nondiversified, which means that it is more vulnerable to risks affecting a particular issuer than a diversified fund would be. The Fund invests primarily in international securities and is therefore subject to risks related to investment outside the U.S. including currency risk, political risk and regulatory risk. More specifically, the Fund may be affected by the various types of risks discussed below.

- ***General Risks***

The prices of equity securities change in response to many factors, including the historical and prospective earnings of the issuer the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. The Fund may borrow amounts up to one-third of the value of its assets and may use borrowed funds to purchase securities for the Fund. This practice, known as "leveraging," will increase returns to the Fund if the additional securities purchased increase in value more than the interests and other costs of borrowing. If the additional securities lose value, however, the loss to the Fund will be greater than if borrowed funds had not been used to make the purchase. Thus, leveraging is considered to increase risk.

The Fund may loan certain securities in its portfolio. The loan will be fully collateralized and marked-to-market throughout the period of the loan. The Fund may experience delays in getting the securities returned and may not receive mark-to market payments if the borrower enters bankruptcy or has other financial problems. Short sales can cause a loss to the Fund if the price of the security sold short increases between the date of the short sale and the date on which the Fund must settle the transaction.

Restricted securities are not registered for public sale and thus cannot easily be disposed of by the Fund, particularly at a desirable price. Because they are not publicly traded, they may also be difficult to price accurately.

Debt securities are particularly vulnerable to credit risk and interest rate fluctuations. Interest rate increases can cause the price of a debt security to decrease. The longer a debt security's duration, the more sensitive it is to this risk. The issuers of a debt security may default or otherwise be unable to honor a financial obligation. The values of the convertible securities in which the Fund may invest also will be affected by market interest rates, the risk that the issuer may default on interest or principal payments and the value of the underlying common stock into which these securities may be converted. Specifically, since these types of convertible securities pay fixed interest and dividends, their values may fall if market interest rates rise and rise if market interest rates fall. Additionally, an issuer may have the right to buy back certain of the convertible securities at a time and at a price that is unfavorable to the fund.

- ***Non-Diversification Risk***

The Fund is a non-diversified fund, which means it is subject to relaxed limits on the percentage of its assets that may be invested in the securities of a single issuer. The Fund must, however, comply with tax diversification regulations, which require it to be diversified at each quarter end with respect to at least half of its assets.

As a “non-diversified” mutual fund, the Fund has the ability to invest a larger percentage of its assets in the securities of a smaller number of issuers than a “diversified” fund. Because the appreciation or depreciation of a single portfolio security may have a greater impact on the net asset value of the Fund, the net asset value per share of the Fund can be expected to fluctuate more than that of a comparable diversified fund.

- ***Inability to Sell Securities Risk***

Certain securities generally trade in lower volume and may be less liquid than securities of large established companies. These less liquid securities could include securities of small- and mid-sized non-U.S. companies, high-yield securities, convertible securities, unrated debt and convertible securities, securities that originate from small offerings, and foreign securities, particularly those from companies in emerging markets. The Fund could lose money if it cannot sell a security at the time and price that would be most beneficial to the Fund.

- ***Equity Risk***

The value of the equity securities held by the Fund, and thus of the Fund’s shares, can fluctuate - at times dramatically. The prices of equity securities are affected by various factors, including market conditions, political and other events, and developments affecting the particular issuer or its industry or geographic sector.

- ***Market Risk***

The Fund’s portfolio securities can be affected by events that affect the securities markets generally or particular segments of the market in which the Fund has invested. Factors that are part of market risk include interest rate fluctuations, quality of instruments in the Fund’s portfolio, national and international economic and political conditions and general market conditions and market psychology.

- ***Interest Rate Risk***

In addition to the sensitivity of real estate-related securities to changes in interest rates, the value of the Fund’s investments in debt instruments will tend to fall if current interest rates increase and to rise if current interest rates decline.

- ***Credit Risk***

The value of the Fund’s debt instruments will generally decline if the credit rating of the issuer declines, while their value will be favorably affected by an increased credit rating. Also, an issuer whose credit rating has declined may be unable to make payments of principal and/or interest.

- ***Hedging Risks***

The Fund's hedging activities, although they are designed to help offset negative movements in the markets for the Fund's investments, will not always be successful. Moreover, they can also cause the Fund to lose money or fail to get the benefit of a gain. Among other things, these negative effects can occur if the market moves in a direction that the Fund's investment advisor does not expect or if the Fund cannot close out its position in a hedging instrument.

- ***Securities Lending Risk***

There is the risk that when lending portfolio securities, the securities may not be available to the Fund on a timely basis and the Fund may, therefore, lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could have a leveraging effect, which may intensify the market risk, credit risk and other risks associated with investments in the Fund.

- ***Borrowing***

The Fund may borrow subject to certain limits. Borrowing may exaggerate the effect of any increase or decrease in the value of portfolio securities or the NAV of the Fund, and money borrowed will be subject to interest costs. Interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Under adverse market conditions, the Fund might have to sell portfolio securities to meet interest or principal payments at a time when fundamental investment considerations would not favor such sales.

- ***Restricted and Illiquid Securities Risk***

If a security is illiquid, the Fund may not be able to sell the security at a time when the Advisor might wish to sell, and the security could have the effect of decreasing the overall level of the Fund's liquidity. Further, the lack of an established secondary market may make it more difficult to value illiquid securities, which could vary from the amount the Fund could realize upon disposition. Restricted securities, i.e., securities subject to legal or contractual restrictions on resale, may be illiquid. However, some restricted securities may be treated as liquid, although they may be less liquid than registered securities traded on established secondary markets.

- ***Risks of Investing in Foreign Securities***

Foreign investments may be riskier than U.S. investments for many reasons, including changes in currency exchange rates, unstable political, social and economic conditions, possible security illiquidity, a lack of adequate or accurate company information, differences in the way securities markets operate, less secure foreign banks or securities depositories than those in the U.S., and foreign controls on investment. In addition, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rates of inflation, capital reinvestment, resources, self-sufficiency, and balance of payments position. Also, certain investments in foreign securities also may be subject to foreign withholding taxes.

• ***Political Risk***

The value of the Fund's foreign investments may be adversely affected by political and social instability in their home countries and by changes in economic or taxation policies in those countries. Investments in foreign securities will expose the Fund to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. Certain countries in which the Fund may invest, especially emerging market countries, have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations, large amounts of external debt, balance of payments and trade difficulties and extreme poverty and unemployment. Many of these countries are also characterized by political uncertainty and instability. The cost of servicing external debt will generally be adversely affected by rising international interest rates because many external debt obligations bear interest at rates that are adjusted based upon international interest rates. In addition, with respect to certain foreign countries, there is a risk of the possibility of expropriation of assets, confiscatory taxation, difficulty in obtaining or enforcing a court judgment, economic, political or social instability, and diplomatic developments that could affect investments in those countries.

• ***Overseas Exchanges Risk***

The Fund will engage in transactions on a number of overseas stock exchanges. It is possible that market practices relating clearance and settlement of securities transactions and custody of assets can pose increased risk to the fund and may involve delays in obtaining accurate information on the value of securities (which may, as a result affect the calculation of the Fund's net asset value per share ("NAV")).

The Fund may engage in transactions in the stock markets of emerging market countries. Emerging market country stock markets, in general, are less liquid, smaller and less regulated than many of the developed country stock markets. Purchases and sales of investments may take longer than would otherwise be expected on developed stock markets and transactions may need to be conducted at unfavorable prices.

• ***Foreign Currency Risk***

Although the Fund will report its net asset value and pay dividends in U.S. dollars, foreign securities often are purchased with and make interest payments in foreign currencies. Therefore, when the Fund invests in foreign securities, it will be subject to foreign currency risk, which means that the Fund's net asset value could decline as a result of changes in the exchange rates between foreign currencies and the U.S. dollar. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payment of principal and interest to investors located outside the country, due to blockage of foreign currency exchanges or otherwise. Furthermore, insofar as the Fund invests in emerging markets, there is a higher risk of currency depreciation. Historically, most emerging market country currencies have experienced significant depreciation against the U.S. dollar. Some emerging market country currencies may continue to fall in value against the U.S. dollar.

• ***Currency Hedging Risk***

The Fund may engage in various investments that are designed to hedge the Fund's foreign currency risks. While these transactions will be entered into to seek to manage these risks, these investments may not prove to be successful or may have the effect of limiting the gains from favorable market movements.

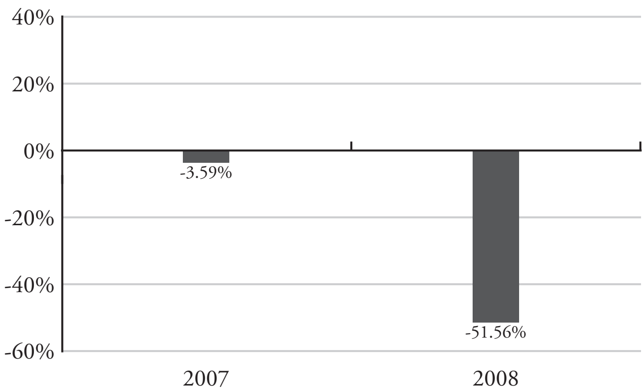
As a result of these potential risks, the Advisor may determine that, notwithstanding otherwise favorable investment criteria, it may not be practicable or appropriate to invest in a particular country. The Fund may invest in countries in which foreign investors, including the Advisor, have had no or limited prior experience.

PERFORMANCE HISTORY

The following bar chart shows the annual total return of the Class A shares of the Forward International Real Estate Fund for the years indicated, together with the best and worst quarters during those years. Class B and Class C shares have similar annual returns because all Classes of shares are invested in the same portfolio of securities, although annual returns differ to the extent the Classes do not have the same expenses. The bar chart does not reflect the Class A shares' maximum 5.75% sales charge (load), which would reduce performance. If the sales charge were reflected, returns would be less than those shown.

The accompanying table gives an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for one year, five years, ten years, as applicable and since inception compare with those of a broad measure of market performance. The returns assume reinvestment of dividends and distributions. Past performance (before and after taxes) is not necessarily an indication of future performance.

The Forward International Real Estate Fund began operations as the Kensington International Real Estate Fund, an investment portfolio of The Kensington Funds. On June 12, 2009, the Kensington International Real Estate Fund was reorganized as the Forward International Real Estate Fund, a new portfolio of the Forward Funds. Performance figures shown below represent performance of the Class A shares of the Kensington International Real Estate Fund.*



Best Quarter - March 31, 2007	7.50%
Worst Quarter - December 31, 2008	-27.58%

* *In connection with the reorganization, the Forward International Real Estate Fund changed investment advisor to Forward Management, LLC.*

Average Annual Total Returns *For the period ended December 31, 2008*	1 Year	Since Inception
Class A Shares(1)		
Return Before Taxes	-54.35%	-20.45%
Return After Taxes on Distributions(2)	-54.00%	-20.69%
Return After Taxes on Distributions and Sale of Fund Shares(2)	-34.97%	-16.48%
Class B Shares(1)		
Return Before Taxes	-54.32%	-20.12%
Class C Shares(1)		
Return Before Taxes	-52.40%	-19.27%
FTSE EPRA/NAREIT Global Real Estate Index ex-US(3)	-52.00%	-17.19%

(1) The Fund began offering Class A, Class B and Class C shares on April 28, 2006.

(2) After-tax returns are calculated using the historical highest individual Federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax deferred arrangements, such as 401(k) plans or individual retirement accounts.

(3) The FTSE EPRA/NAREIT Global Real Estate Index ex-US is designed to track the performance of listed real estate companies and REITs worldwide, excluding U.S. companies. Investors cannot invest directly in an index. The index figures do not reflect any deduction for fees, expenses or taxes.

FUND FEES AND EXPENSES

The following information describes the fees and expenses that you may pay if you buy and hold shares of the Forward International Real Estate Fund.

Shareholder Fees

As an investor in Class A shares of the Fund, you will pay a maximum sales charge (load) on purchases equal to 5.75% of the offering price.

Shareholder Fees:

Fees paid directly from your investment	Class A	Class B	Class C
Maximum Sales Charge (Load) on purchases (as a percentage of offering price)	5.75%	None	None
Maximum Deferred Sales Charge for shares held less than 1 year (as a percentage of the lesser of original purchase price or redemption proceeds)	None	5.00%*	1.00%

Annual Fund Operating Expenses

Annual fund operating expenses are paid directly out of the Fund's assets. These expenses are not charged directly to shareholder accounts. They are expressed as a ratio which is a percentage of average daily net assets.

Annual Fund Operating Expenses:

Expenses that are deducted from Fund assets	Class A	Class B	Class C
Management Fee	1.00%	1.00%	1.00%
Distribution (12b-1) Fees(1)	0.25%	0.75%	0.75%
Shareholder Services Fees(2)	0.00%	0.25%	0.25%
Other Expenses(3)	0.45%	0.45%	0.45%
Dividend and Interest Expense	0.01%	0.01%	0.01%
Total Other Expenses	0.46%	0.46%	0.46%
Total Annual Fund Operating Expenses	1.71%	2.46%	2.46%
Fee Waiver(4)	-0.05%	-0.05%	-0.05%
Net Expenses	1.66%	2.41%	2.41%

* *The deferred sales charge on Class B shares declines over seven years, starting with redemptions in year one and ending with redemptions in year seven as follows: 5.00%, 4.00%, 3.00%, 3.00%, 2.00%, 1.00%, 0.00%. Class B shares then automatically convert to Class A shares after 8 years on the 3rd business day of the month in which they were originally purchased.*

(1) *The Fund has adopted Distribution Plans pursuant to which up to 0.35%, of the Fund's average daily net assets attributable to the Class A shares, up to 0.75% of the Fund's average daily net assets attributable to the Class B shares, and up to 0.75% of the Fund's average daily net assets attributable to the Class C shares may be used to pay distribution expenses.*

(2) *The Fund has adopted a Shareholder Services Plan pursuant to which up to 0.20% of the Fund's average daily net assets attributable to Class A shares, up to 0.25% of the Fund's average daily net assets attributable to Class B shares, and up to 0.25% of the Fund's average daily net assets attributable to Class C shares may be used to pay shareholder servicing fees.*

(3) *Other Expenses are based on estimated amounts for the current fiscal year.*

(4) *The Fund's investment advisor has contractually agreed to waive a portion of its fees and reimburse other expenses until June 30, 2011 in amounts necessary to limit the Fund's operating expenses (exclusive of*

brokerage costs, interest, taxes, dividends, acquired fund fees and expenses, and extraordinary expenses) for Class A shares, Class B shares and Class C shares to an annual rate (as a percentage of the Fund's average daily net assets) of 1.65%, 2.40% and 2.40%, respectively. Pursuant to these agreements, the Fund will reimburse the investment advisor for any fee waivers and expense reimbursements made by the investment advisor, provided that any such reimbursements made by the Fund to the investment advisor will not cause the Fund's expense limitation to exceed the expense limitation in existence at the time the expenses were incurred or at the time of the reimbursement, whichever is lower, and the reimbursement is made within three years after the expenses were incurred.

EXAMPLES

These Examples are intended to help you compare the costs of investing in the Forward International Real Estate Fund with the costs of investing in other mutual funds.

The Examples assume that you invest $10,000 in the Class A, Class B, and Class C shares of the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Examples also assume that your investment has a 5% return each year, that the Fund's total annual operating expenses remain the same and that the contractual fee waiver is in place for the first two years. Although actual costs may be higher or lower, based on these assumptions your costs would be:

	Class A	Class B*	Class C*
1 Year	$734	$744	$344
3 Years	$1,073	$1,057	$757
5 Years	$1,440	$1,500	$1,300
10 Years	$2,468	$2,600	$2,784

You would pay the following expenses if you did not redeem your shares:

	Class A	Class B	Class C
1 Year	$734	$244	$244
3 Years	$1,073	$757	$757
5 Years	$1,440	$1,300	$1,300
10 Years	$2,468	$2,600	$2,784

* ***The example reflects the applicable contingent deferred sales charge ("CDSC"). For more information regarding the CDSC, please see the "Purchasing Shares" section of this Prospectus.***

INVESTMENT ADVISOR

Forward Management, LLC ("Forward Management") serves as investment advisor to each of the Funds. Forward Management is located at 433 California Street, 11th Floor, San Francisco, California 94104. As of December 31, 2008, Forward Management had approximately $3.7 billion of assets under management.

Forward Management has the authority to manage the Funds in accordance with their investment objective, policies and restrictions, subject to general supervision of the Trust's Board of Trustees. Forward Management has directly managed the assets of the Funds since their inception. Forward Management also provides the Funds with ongoing management supervision and policy direction. Forward Management has managed the Forward Funds since September 1998 and the Forward Funds are its principal investment advisory clients.

Each Fund pays an investment advisory fee to Forward Management for its services as an investment advisor. The fees are computed daily and paid monthly, at the following annual rates based on the average daily net assets of each Fund:

Fund	Advisory Fee Paid to Advisor By Fund
Forward Select Income Fund	1.00%
Forward Strategic Realty Fund	1.00%
Forward Global Infrastructure Fund	0.90%
Forward International Real Estate Fund	1.00%

A discussion regarding the basis for the Board of Trustees' approval of the investment advisory contract of each Fund will be available in the Forward Funds' semi-annual report date as of June 30, 2009.

Each Fund is team managed and all investment decisions are made jointly by the team. The members of each Fund's team are:

Jim O'Donnell, CFA. Mr. O'Donnell, is the Chief Administrative Officer of Forward Management and has held this position since July 2006. Mr. O'Donnell has overall responsibility for asset management at Forward Management, including the Funds. From September 2001 to October 2002 and from February 2004 to May 2006, Mr. O'Donnell was an Analyst with Meisenbach Capital, conducting fundamental and financial analysis for a hedge fund portfolio. Between November 2002 and February 2004, Mr. O'Donnell was a consultant with Rainmaker Alliance, consulting with venture capital and start-up firms on financial models, projections and business strategy. From April 1993 to August 2001, Mr. O'Donnell was a Portfolio Manager for Nicholas-Applegate Capital Management, responsible for stock selection and financial analysis for large cap, mid cap and small cap portfolios. Mr. O'Donnell is a Chartered Financial Analyst and holds an MBA. Mr. O'Donnell has managed the Funds since they were reorganized as new portfolios of the Forward Funds on June 12, 2009.

Paul Gray has been a portfolio manager for Forward Management since June 12, 2009. Mr. Gray has co-primary responsibility for the day-to-day management of the Forward Strategic Realty Fund and the Forward International Real Estate Fund. Mr. Gray, as

Co-Chief Investment Officer, co-directed the Kensington Investment Group, Inc.'s research and investment management strategy process from April 2007 until June 2009. Mr. Gray has been involved in the portfolio management of real estate securities since 1988. Mr. Gray was previously a partner and founder of Golden State Financial Services, a mortgage brokerage company. Prior to founding Golden State Financial Services, Mr. Gray worked for Liquidity Fund Investment Corporation as the Director of Research for the National Real Estate Index where he was instrumental in designing the methodology and systems used to track real estate values throughout the United States. Mr. Gray received a Bachelor of Science in Finance and Real Estate in 1988 from the Business School at the University of California at Berkeley. Mr. Gray has managed the Forward Strategic Realty Fund and the Forward International Real Estate Fund since June 12, 2009.

Joel Beam has been a portfolio manager for Forward Management since June 12, 2009. Mr. Beam has primary responsibility for the day-to-day management of the Forward Select Income Fund. Mr. Beam served as a portfolio manager responsible for securities investment decisions on behalf of Kensington Investment Group, Inc.'s income-oriented portfolios until June 2009. He joined Kensington in 1995 as a Senior Analyst and began managing portfolios in 1997. He was previously employed by Liquidity Financial Advisors, Inc. where he was responsible for valuation and pricing of real estate limited partnership and institutional commingled investment fund securities, as well as their underlying properties. Mr. Beam received his Bachelor of Arts with honors in 1994 from the University of California at Berkeley. Mr. Beam has managed the Forward Select Income Fund since June 12, 2009.

Michael McGowan has been a portfolio manager for Forward Management since June 12, 2009. Mr. McGowan has co-primary responsibility for the day-to-day management of the Forward Strategic Realty Fund and the Forward International Real Estate Fund. Mr. McGowan was responsible for securities investment decisions on behalf of Kensington Investment Group, Inc.'s real estate portfolios until June 2009. Mr. McGowan joined Kensington in 2005 as a Senior Analyst and began managing portfolios in 2007. Prior to joining Kensington, he was employed at RREEF as a Director of Economic and Market Research where he specialized in industrial and office property markets. Prior to joining RREEF in 1995, Mr. McGowan was Vice President and co-founder of The Valuations Group where he performed valuations on real estate limited partnerships. Mr. McGowan began his career at Liquidity Fund Investment Corporation and MacKenzie Patterson. At both firms, he was involved in the syndication of real properties and the analysis and the reorganization of real estate securities. Mr. McGowan received a Bachelor of Arts degree in Economics from the University of California, Berkeley in 1987. Mr. McGowan has managed the Forward Strategic Realty Fund and the Forward International Real Estate Fund since June 12, 2009.

Aaron Visse has been a portfolio manager for Forward Management since June 12, 2009. Mr. Visse has primary responsibility for the day-to-day management of the Forward Global Infrastructure Fund. Mr. Visse was responsible for securities investment decisions on behalf of Kensington Investment Group, Inc.'s infrastructure portfolios until June 2009. He joined Kensington in 2002 as an Analyst and began managing portfolios in 2007. Mr. Visse oversees research efforts focused on global infrastructure companies and participates in global real estate securities analysis. Prior to joining Kensington, he was a Senior Research Analyst at Linsco/Private Ledger (LPL) Financial Services, where he followed REITs and financial services companies. Mr. Visse received a Bachelor of Science, Business Administration from the University of Colorado, Boulder, in 1994 and a Master of Science, Business Administration from San Diego State University in 1999. He is a Chartered Financial Analyst and a member of the CFA Institute and the CFA Society of San Francisco. Mr. Visse has managed the Forward Global Infrastructure Fund since its inception.

The SAI contains additional information about portfolio manager compensation, other accounts managed by the portfolio manager, and his ownership of securities in the Fund.

HIRING SUB-ADVISORS WITHOUT SHAREHOLDER APPROVAL

The Funds currently do not employ a sub-advisor but may do so in the future. Forward Management and Forward Funds have received an exemptive order from the SEC that permits Forward Management, subject to the approval of the Board of Trustees of Forward Funds, to hire and terminate non-affiliated sub-advisors or to materially amend existing sub-advisory agreements with non-affiliated sub-advisors for the Funds without shareholder approval. Pursuant to such exemptive relief, shareholders of the affected Fund will be notified of the hiring of a sub-advisor or sub-advisor changes within 90 days after the effective date of such change.

The price you pay for a share of a Fund, and the price you receive upon selling or redeeming a share of a Fund, is based on the Fund's net asset value ("NAV"). The NAV per share for a Fund for purposes of pricing sales and redemptions is calculated by dividing the value of all securities and other assets belonging to the Fund, less the liabilities charged to the Fund, by the number of shares of the Fund that have already been issued.

The NAV of a Fund (and each Class of shares) is usually determined and its shares are priced as of the close of regular trading on the New York Stock Exchange ("NYSE") (generally 4:00 p.m., Eastern Time) on each Business Day. A "Business Day" is a day on which the NYSE is open for trading. Currently, the NYSE is typically closed on the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

When you buy shares, you pay the NAV per share plus any applicable sales charge. When you sell shares, you receive the NAV per share minus any applicable contingent deferred sales charge ("CDSC"). The price at which a purchase or redemption is effected is based on the next calculation of NAV after the order is placed. Orders received by financial intermediaries prior to the close of trading on the NYSE will be confirmed at the offering price computed as of the close of trading on the NYSE (normally 4:00 p.m., Eastern Time). It is the responsibility of the financial intermediary to insure that all orders are transmitted in a timely manner to a Fund. Orders received by financial intermediaries after the close of trading on the NYSE will be confirmed at the next computed offering price.

The NAV per share of a Fund will fluctuate as the market value of the Fund's investments changes. The NAV of different Classes of shares of the same Fund will differ due to differing Class expenses. A Fund's assets are valued generally by using available market quotations or at fair value, as described below, as determined in good faith in accordance with procedures established by, and under direction of, the Board of Trustees.

Portfolio securities or contracts that are listed or traded on a national securities exchange, contract market or over-the-counter markets and that are freely transferable will be valued at the last reported sale price or a market's official closing price on the valuation day, or, if there has been no sale that day, at the average of the last reported bid and ask price on the valuation day for long positions or ask prices for short positions. If no bid or ask prices are quoted before closing, such securities or contracts will be valued at either the last available sale price, or at fair value, as discussed below.

In cases in which securities are traded on more than one exchange, the securities are valued on the exchange designated by or under the authority of the Board of Trustees as the primary market.

Debt securities (including convertible debt) that have more than 60 days remaining until maturity or that are credit impaired for which market data is readily available will be valued on the basis of the average of the latest bid and ask price. Debt securities that mature in less than 60 days and that are not credit impaired are valued at amortized cost if their original maturity was 60 days or less, or by amortizing the value as of the 61st day prior to maturity if their original term to maturity exceeded 60 days (unless the

Board of Trustees determines that this method does not represent fair value). For most debt securities, Forward Funds receives pricing information from independent pricing vendors (approved by the Board of Trustees) which also use information provided by market makers or estimates of value obtained from yield data relating to securities with similar characteristics. As appropriate, quotations for high yield bonds may also take additional factors into consideration such as the activity of the underlying equity or sector movements. In the event valuation information is not available from third party pricing vendors for a debt security held by a Fund, such security may be valued by quotations obtained from dealers that make markets in such securities or otherwise determined based on the fair value of such securities, as discussed below. Because long-term bonds and lower-rated bonds tend to be less liquid, their values may be determined based on fair value more frequently than portfolio holdings that are more frequently traded or that have relatively higher credit ratings.

Futures, options on futures and swap contracts that are listed or traded on a national securities exchange, commodities exchange, contract market or over-the-counter markets and that are freely transferable will be valued at their closing settlement price on the exchange on which they are primarily traded or based upon the current settlement price for a like instrument acquired on the day on which the option is being valued. A settlement price may not be used if the market makes a limit move with respect to a particular commodity. Over-the-counter futures, options on futures and swap contracts for which market quotations are readily available will be valued based on quotes received from third party pricing services or one or more dealers that make markets in such securities. If quotes are not available from a third party pricing service or one or more dealers, quotes shall be determined based on the fair value of such securities, as discussed below.

Options on securities and options on indexes will be valued using the last quoted sale price as of the close of the securities or commodities exchange on which they are traded. Certain investments including options may trade in the over-the-counter market and generally will be valued based on quotes received from a third party pricing service or one or more dealers that make markets in such securities, or at fair value, as discussed below.

To the extent that a Fund holds securities listed primarily on a foreign exchange that trade on days when the Fund is not open for business or the NYSE is not open for trading, the value of the portfolio securities may change on days that you cannot buy or sell shares. To the extent that a Fund invests in foreign securities that are principally traded in a foreign market, the calculation of the Fund's NAV may not take place contemporaneously with the determination of the prices of portfolio securities of foreign issuers used in such calculation. Therefore, the NAV of a Fund's shares may change on days when shareholders will not be able to purchase or redeem the Fund's shares. Portfolio securities that are primarily traded on foreign securities exchanges are generally valued at the preceding closing values of such securities on their respective exchanges, except when an occurrence subsequent to the time a value was so established is likely to have changed such value. In such an event, the fair value of those securities will be determined in good faith through the consideration of other factors in accordance with procedures established by, and under the general supervision of, the Board of Trustees.

Assets and liabilities denominated in foreign currencies will have a market value converted into U.S. dollars at the prevailing foreign currency exchange daily rates as provided by a pricing service. Forward currency exchange contracts will have a market value determined by the prevailing foreign currency exchange daily rates and current foreign currency exchange forward rates. The foreign currency exchange forward rates are calculated using an automated system that estimates rates on the basis of the current day foreign currency exchange rates and forward foreign currency exchange rates supplied by a pricing service. Prevailing foreign exchange rates and forward foreign currency exchange rates may generally be obtained at the close of the NYSE, normally 4:00 p.m. Eastern Time. As available and as provided by an appropriate pricing service, translation of foreign security and currency market values may also occur with the use of foreign exchange rates obtained at approximately 11:00 a.m. Eastern Time, which approximates the close of the London Exchange.

Redeemable securities issued by open-end investment companies are valued at the investment company's applicable NAV, with the exception of exchange-traded open-end investment companies, which are priced as equity securities in accordance with procedures established by, and under direction of, the Board of Trustees.

Forward Funds has a policy that contemplates the use of fair value pricing to determine the NAV per share of a Fund when market prices are unavailable, as well as under other circumstances, such as (i) if the primary market for a portfolio security suspends or limits trading or price movements of the security or (ii) when events occur after the close of the exchange on which a portfolio security is principally traded that are likely to have changed the value of the security. When a Fund uses fair value pricing to determine the NAV per share of the Fund, securities will not be priced on the basis of quotations from the primary market in which they are traded, but rather may be priced by another method that the Board of Trustees believes accurately reflects fair value. The fair value of certain of Funds' securities may be determined through the use of a statistical research service or other calculation methodology. Forward Funds' policy is intended to result in a calculation of a Fund's NAV that fairly reflects security values as of the time of pricing. While fair values determined pursuant to Forward Funds' procedures are intended to represent the amount a Fund would expect to receive if the fair valued security were sold at the time of fair valuation, the fair value may not equal what the Fund would receive if it actually were to sell the security as of the time of pricing.

Because a Fund may invest in below investment grade securities and securities of small capitalization companies, which may be infrequently traded and therefore relatively illiquid, and foreign securities, the valuation of which may not take place contemporaneously with the calculation of the Fund's NAV, the Fund may be subject to relatively greater risks of market timing, and in particular, a strategy that seeks to take advantage of inefficiencies in market valuation of these securities because of infrequent trading. For this reason, a Fund may, at times, fair value some or all of its portfolio securities in order to deter such market timing.

HOW TO BUY SHARES

You can open an account and make an initial purchase of Class A or Class C shares of a Fund directly from the Fund. To open an account and make an initial purchase directly with a Fund, you can mail a check or other negotiable bank draft (payable to Forward Funds) in the minimum amounts described below, along with a completed and signed Account Application, to Forward Funds, P.O. Box 1345, Denver, CO 80201. To obtain an Account Application, call (800) 999-6809 or download one from www.forwardfunds.com. A completed Account Application must include your valid taxpayer identification number. You may be subject to penalties if you falsify information with respect to your tax identification number.

After you have opened an account, you can make subsequent purchases of Class A or Class C shares of a Fund directly from the Fund. To purchase shares directly by mail, send your instruction and a check to the Forward Funds at P.O. Box 1345, Denver, CO 80201.

You also can open an account and make an initial purchase of Class A or Class C shares and subsequent purchases of shares through a financial intermediary that has established an agreement with the Funds' Distributor.

The Funds no longer offer for sale Class B Shares of the Funds and shareholders are not able to make new or additional investments in Class B Shares. Current Class B Shareholders are permitted to: (1) hold their Class B Shares until they are converted to Class A Shares; (2) exchange their Class B Shares for Class B Shares of another Forward Fund that offers Class B Shares, if any; (3) automatically reinvest dividends in Class B Shares; and (4) make additional investments in other share classes of the Forward Funds, subject to pricing and eligibility requirements of those other classes.

Depending upon the terms of your account, you may pay account fees for services provided in connection with your investment in a Fund. Financial intermediaries may charge their customers a transaction or service fee. Forward Funds or your financial intermediary can provide you with information about these services and charges. You should read this Prospectus in conjunction with any such information you receive.

SHARE CLASSES

In this Prospectus, the Fund offers Class A, Class B and Class C shares. Each share class of a Fund represents an investment in the same portfolio of securities, but each share class has its own sales charge and expense structure, allowing you to choose the class that best meets your situation. The Funds contained in this Prospectus also offer additional classes of shares pursuant to a separate Prospectus. Information on such other share classes can be requested by calling (800) 999-6809. When you purchase shares of a Fund, you must choose a share class.

Factors you should consider in choosing a class of shares include:

- How long you expect to own the shares;
- How much you intend to invest;

- Total expenses associated with owning shares of each class; and
- Whether you qualify for any reduction or waiver of sales charges (for example, Class A shares may be a less expensive option over time if you qualify for a sales charge reduction or waiver).

Each investor's financial considerations are different. You should speak with your financial advisor to help you decide which share class is best for you.

Class A and Class C Shares

Minimum Initial Investment Amount for Class A and Class C Shares:

- $2,000 for accounts enrolled in eDelivery
- $2,000 for Coverdell Education Savings accounts
- $500 for Automatic Investment Plan accounts
- $4,000 for all other accounts

Subsequent investments for a Fund must be $100 or more. Financial intermediaries may charge their customers a transaction or service fee.

Forward Funds has the discretion to waive or reduce any of the above minimum investment requirements.

Automatic Investment Plan for Class A and Class C Shares:

Forward Funds offers an Automatic Investment Plan for current and prospective investors in which you may make monthly investments in one or more of the Forward Funds. The minimum initial investment amount is $500 and minimum subsequent investments are $50 per Fund. Sums for investment will be automatically withdrawn from your checking or savings account on the day you specify. If you do not specify a day, the transaction will occur on the 20th of each month or the next Business Day if the 20th is not a Business Day. Please call (800) 999-6809 if you would like more information.

SALES CHARGES

- *Class A Shares*

The maximum sales charge on the purchase of Class A shares is 5.75% of the offering price. The offering price is the NAV per share plus the applicable front-end sales charge. The current sales charges are:

Dollar Amount Invested	Sales Charge as a Percentage of: Offering Price	NAV	Dealer's Concession (as a % of Offering Price)
Less than $25,000	5.75%	6.10%	5.00%
$25,000 to $49,999.99	5.00%	5.26%	4.25%
$50,000 to $99,999.99	4.50%	4.71%	3.75%
$100,000 to $249,999.99	3.50%	3.63%	2.75%
$250,000 to $499,999.99	2.50%	2.56%	2.00%
$500,000 to $749,999.99	2.00%	2.04%	1.60%
$750,000 to $999,999.99	1.50%	1.52%	1.20%
$1,000,000 & Above	0.00%	0.00%	up to 0.50%

If your account value, including the amount of your current investment, totals $1 million or more, you will not pay a front-end sales charge on the current investment amount. The Distributor may pay the selling financial intermediary up to 0.50% of the offering price. However, if you sell these shares (for which you did not pay a front-end sales charge) within eighteen months of purchase, you will pay a contingent deferred sales charge ("CDSC") of 0.50%. The amount of the CDSC is determined as a percentage of the lesser of the current market value or the cost of the shares being redeemed. A Fund will use the first-in, first-out ("FIFO") method to determine the eighteen-month holding period for the CDSC. The date of the redemption will be compared to the earliest purchase date of Class A shares not subject to a sales charge held in the redeeming shareholder's account. The CDSC will be charged if the holding period is less than eighteen months, using the anniversary date of a transaction to determine the "eighteen-month" mark. As an example, shares purchased on December 1, 2009 would be subject to the CDSC if they were redeemed on or prior to June 1, 2011. On or after June 2, 2011, they would not be subject to the CDSC. The CDSC primarily goes to the Distributor as reimbursement for the portion of the dealer concession paid to financial intermediaries.

Class A shares acquired by reinvestment of dividends are not subject to the CDSC. CDSC waivers are available in certain circumstances. For information regarding waivers, please see "Waiver of CDSC" below.

- *Class B Shares*

There is no sales charge on the purchase of Class B shares. The offering price is the net asset value per share. However, if you sell your Class B shares before the 6th anniversary of their purchase, you will have to pay a CDSC at the time of redemption. The CDSC will be based upon the lower of the net asset value at the time of purchase or the net asset value at the time of redemption according to the schedule below. There is no CDSC on reinvested dividends or distributions.

The CDSC is imposed according to the following schedule:

Years Since Purchase	CDSC
1	5.00%
2	4.00%
3	3.00%
4	3.00%
5	2.00%
6	1.00%
7	0.00%

If you sell some but not all of your Class B shares, certain shares not subject to the CDSC (i.e., shares purchased with reinvested dividends) will be redeemed first, followed by shares subject to the lowest CDSC (typically, shares held for the longest time).

- ***Class C Shares***

There is no sales charge on the purchase of C Class shares. The offering price is the net asset value per share. The maximum purchase amount for the C Class shares is $999,999.99. Purchasers of $1 million or more in shares of a Fund will not be able to purchase C Class shares of a Fund. Depending on each investors specific situation, C Class shares may have a higher expense ratio and pay lower dividends than other share classes offered by the Funds because the distribution and service fee for the C Class shares is higher than the distribution and service fee for other share classes (if applicable). Furthermore, the length of the holding period for the deferred sales charge for C Class shares (as discussed below) may differ from the length of the deferred sales charge holding period for other share classes offered by the Funds (if applicable). You should speak with your financial advisor to help you decide which share class is best for you.

The Funds' Distributor pays 1.00% of the amount invested to financial intermediaries who sell Class C shares of the Funds. Investors purchasing Class C shares pay a CDSC of 1.00% if such shares are held for less than one year. The amount of the CDSC is determined as a percentage of the lesser of the current market value or the cost of the shares being redeemed. The CDSC primarily goes to the Funds' Distributor as reimbursement for the portion of the dealer concession paid to financial intermediaries.

The Funds will use the first-in, first-out (FIFO) method to determine the holding period for the CDSC. The date of the redemption will be compared to the earliest purchase date of shares held in the redeeming shareholder's account. The CDSC will be charged if the holding period is less than one year, using the anniversary date of a transaction to determine the "one year" mark. As an example, shares purchased on December 1, 2009 would be subject to the CDSC if they were redeemed on or prior to December 1, 2010. On or after December 2, 2010, they would not be subject to the CDSC.

Class C shares acquired by reinvestment of dividends are not subject to the CDSC. CDSC waivers are available in certain circumstances. For information regarding waivers, please see "Waiver of CDSC" below.

- ***Reduced Sales Charge for Class A Shareholders***

As noted in the table above, discounts ("breakpoints") are available for larger purchases. There are several ways for shareholders to reach a higher discount level and qualify to pay a lower sales charge. Shareholders may qualify by combining current and past purchases in any of the Class A shares of the Forward Funds. To determine whether or not a reduced initial sales charge applies to a proposed purchase, we take into account not only the money that is invested upon such proposed purchase, but also the value of all Class A shares of the Forward Funds that we currently have associated with you, calculated at their historical cost and/or offering price.

You can minimize sales charges in any of the following ways:

1. **Increase** your initial Class A investment amount to reach a higher discount level.
2. **Right of Accumulation.** Add to an existing Class A shareholder account so that the current offering price value (or if greater, the amount of the initial purchase less any redemptions) of the total combined holdings reach a higher discount level.
3. **Letter of Intent.** Inform the Funds that you wish to sign a non-binding Letter of Intent to purchase an additional value of Class A shares over a 13-month period at a level that would entitle you to a higher discount level.
4. **Combined Purchase Privilege.** Combine the following investor accounts into one "purchase" or "holding" to qualify for a reduced sales charge:
   (a) An individual or "company," as defined in Section 2(a)(8) of the 1940 Act (which includes corporations which are corporate affiliates of each other, but does not include those companies in existence less than six months or which have no purpose other than the purchase of shares of the Fund or other registered investment companies at a discount);
   (b) An individual, his or her spouse and children under age 21, purchasing for his, her or their own account;
   (c) A single purchase by a trustee or other fiduciary purchasing shares for a single trust, estate or single fiduciary account although more than one beneficiary is involved; or
   (d) A single purchase for the employee benefit plans of a single employer.

To qualify for the Combined Purchase Privilege or to obtain the Right of Accumulation, when each such purchase is made, the investor or financial intermediary must provide us with sufficient information to verify that the purchase qualifies for the privilege or discount. Because breakpoint eligibility may be determined based on historical cost, you should retain any records necessary to substantiate those costs in cases where the Funds, their transfer agent and financial intermediaries do not maintain this information.

It may be necessary for an investor to provide the following information or records to a Fund or his or her financial intermediary in order to verify his or her eligibility for a breakpoint discount: (a) information or records regarding shares of the Fund or other Funds held in all accounts (e.g., retirement accounts) of the investor at the financial intermediary; (b) information or records regarding shares of the Fund or other Forward

Funds held in any account of the shareholder at another financial intermediary; and (c) information or records regarding shares of the Fund or other Funds held at any financial intermediary by related parties of the investor, such as members of the same family or household. If an investor fails to identify necessary breakpoint information, the investor may not receive the breakpoints that would otherwise be available.

- ***Reinstatement Privilege for Class A Shares***

An investor who has sold Class A shares of a Fund may reinvest the proceeds of such sale in Class A shares of any of the Forward Funds within 120 days of the sale, and any such reinvestment will be made at the Fund's then-current net asset value, so that no sales charge will be levied. Investors should call the Forward Funds for additional information prior to exercising this privilege.

By exercising this reinstatement privilege, the investor does not alter the federal income tax treatment of any capital gains realized on the previous sale of shares of a Fund, but to the extent that any shares are sold at a loss and proceeds are reinvested in shares of the Fund, some or all of the loss may be disallowed as a deduction. Please contact your tax advisor for more information concerning tax treatment of such transactions.

- ***Waiver of Initial Sales Charges for Class A Shares***

A Fund may waive the imposition of sales charges on investor purchases of Class A shares of the Fund under certain circumstances and conditions, including shares purchased by:

- Officers, directors, trustees, and employees of Forward Funds, Forward Management, sub-advisors, and their respective affiliates.
- ReFlow, which is a program designed to provide a liquidity source for mutual funds experiencing redemptions of their shares.
- Registered representatives and employees of financial intermediaries with a current selling agreement with the Distributor or Forward Management and their affiliates.
- Clients of financial intermediaries using Forward Funds in fee-based investment products under a signed agreement with the Distributor or Forward Management.
- Advisory accounts managed by registered investment advisers or bank trust departments.
- Employees of designated asset management firms, other service providers, and their affiliates.
- Immediate family members of all such persons as described above.
- Certain qualified plans, including pension funds, endowments, and other institutional funds.
- Financial intermediary supermarkets and fee-based platforms.

- ***Waiver of CDSC***

A Fund may waive the imposition of a CDSC on redemptions of Class A, Class B or Class C shares of the Fund under certain circumstances and conditions, including without limitation the following:

- Redemptions following the death or permanent disability (as defined by Section 72(m)(7) of the Internal Revenue Code) of a shareholder if made within

one year of death or the initial determination of permanent disability. The waiver is available only for shares held at the time of death or initial determination of permanent disability.
- Redemptions made through a Systematic Withdrawal Plan, limited to 10% per year of the account value at the time the plan is established and annually thereafter, provided all dividends and distributions are reinvested.
- Required minimum distributions from a tax-deferred retirement plan or an individual retirement account (IRA) as required under the Internal Revenue Code. The waiver of the CDSC for required distributions will be as a percentage of assets held in the Funds.
- Forced redemptions made by the Funds of shares held by shareholders whose account has a value of less than $100.
- Redemptions made by ReFlow.
- Redemptions in cases of natural disaster affecting shareholders.

If you think you may be eligible for a CDSC waiver, contact your financial intermediary. You must notify Forward Funds prior to the redemption request to ensure your receipt of the waiver. Please call (800) 999-6809 for additional information.

- *Conversion Feature - Class B Shares*
  - Class B shares automatically convert to Class A shares of a Fund after 8 years on the 3rd business day of the month in which they were originally purchased.
  - After conversion, your shares will be subject to the lower distribution and shareholder servicing fees charged on Class A shares, which will increase your investment return compared to the Class B shares.
  - You will not pay any sales charge or fees when your shares convert, nor will the transaction give rise to any taxable event.

EXCHANGE PRIVILEGE

Exchanges of Class A, Class B and Class C Shares for the Same Class Shares of Any Other Forward series of the Trust ("Forward Series")

By following the instructions below, and subject to such limitations as may be imposed by the Trust, you may exchange your Class A, Class B or Class C shares of any Forward Series (this does not include the Accessor Series of the Trust) for the same Class shares of any other Forward Series, or, with the exception of Class B shares, a money market fund. Please check with Forward Funds to determine which money market funds are available.

There are generally no fees for exchanges, but an exchange of shares between Forward Series is technically a sale of shares in one Forward Series followed by a purchase of shares in another Forward Series, and therefore may have tax consequences. Thus, the exchange may, like a sale, result in a taxable gain or loss to you and will generally give you a new tax basis for your new shares.

Class A shares of a Forward Series initially purchased subject to a front-end sales load may generally be exchanged for Class A shares of another Forward Series without the payment of an additional front-end sales load. If you exchange Class A shares of a

Forward Series for Class A shares of another Forward Series that is subject to a higher front-end sales load, you will be charged the difference between the two sales loads. If the front-end sales load was waived for your initial purchase of Class A shares, you may be subject to the imposition of a front-end sales load upon exchanging into Class A shares of another Forward Series. If you purchased Class A shares subject to a sales load, you will not be reimbursed the sales load upon exchange of the shares to another Forward Series.

If your Class A, Class B or Class C shares are subject to a CDSC, and you exchange them for Class A, Class B or Class C shares subject to a CDSC, the shares will be subject to the higher applicable CDSC of the two Forward Series and, for purposes of calculating CDSC rates, will be deemed to have been held since the date the shares being exchanged were initially purchased.

Shareholders should read the prospectus of any other Forward Series into which they are considering exchanging.

Exchanges of Class A, Class B and C Class Shares for Institutional or Investor Class Shares of the Same Forward Series

By following the instructions below, and subject to such limitations as may be imposed by the Trust, you may exchange your Class A, Class B and Class C shares for Investor or Institutional Class shares of the same Forward Series. An exchange of shares of one class of a Forward Series into another class of the same Forward Series is not treated as a redemption and sale for tax purposes.

Class A, Class B and Class C shares subject to a CDSC will be charged the applicable CDSC upon exchange for Institutional Class or Investor Class shares.

If you purchased Class A shares subject to a sales load, you will not be reimbursed the sales load upon exchange of the shares to another Class in the same Forward Series.

Shareholders should read the section of the prospectus regarding any other Class of shares into which they are considering exchanging.

General Information About Exchanges

Shares of one Forward Series or Class may be exchanged for shares of another Forward Series or Class on days when the NYSE is open for business, as long as shareholders meet the normal investment requirements, including the minimum investment requirements, of the other Forward Series or Class. Your exchange request must be received in good order by the Transfer Agent or certain financial intermediaries prior to the close of the NYSE, normally 4:00 p.m. Eastern Time. Requests received "in good order" must include: account name, account number, dollar or share amount of transaction, Series and allocation of investment, and signature of authorized signer. Shares will be exchanged at the next NAV calculated after the Transfer Agent receives the exchange request in good order. Under certain circumstances, before an exchange can be made, additional documents may be required to verify the authority or legal capacity of the person seeking the exchange. Once your exchange is received in proper form, it cannot be revoked. Exchanges into another Series and/or Class must be for at least $100. The Trust reserves the right to prohibit exchanges during the first 15 days following an investment in the Series and may terminate or change the terms of the exchange privilege at any time. In addition Forward Funds may suspend a shareholder's exchange privilege if, in the judgment of Forward Management, the shareholders exchange activity indicates frequent trading or market timing that may be harmful to a Forward Series or its shareholders. See "Policies Concerning Frequent Purchases and Redemptions" in this Prospectus.

Not all Forward Series or Forward Series classes may be offered in your state of residence. Contact your financial intermediary or the Transfer Agent to ensure that the Forward Series or the class of shares of the Forward Series you want to exchange into is offered in your state of residence.

In general, you will receive notice of any material change to the exchange privilege at least 60 days prior to the change, although this notice period may be reduced or eliminated if determined by the Board of Trustees or Forward Management to be in the best interests of shareholders and otherwise consistent with applicable regulations.

You can send a written instruction specifying your exchange or, if you have authorized telephone exchanges previously and we have a record of your authorization, you can call (800) 999-6809 to execute your exchange. Under certain circumstances, before an exchange can be made, additional documents may be required to verify the authority or legal capacity of the person seeking the exchange.

PRICING OF FUND SHARES

When you purchase shares, you will pay the NAV that is next calculated after we receive your order. If you place an order for the purchase of shares through a financial intermediary, the purchase price will be based on the NAV next determined, but only if the financial intermediary receives the order by the close of the Business Day. Your financial intermediary is responsible for transmitting such orders promptly. If the financial intermediary fails to transmit your order properly, your right to that day's closing price must be settled between the financial intermediary and you.

Purchases of shares of a Fund will be effected only on a Business Day. An order received prior to the daily cut-off time on any Business Day is processed based on that day's NAV. An order received after the cut-off time on any Business Day is processed based on the NAV determined as of the next Business Day of the Fund.

CUSTOMER IDENTIFICATION PROGRAM

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person that opens a new account, and to determine whether such person's name appears on government lists of known or suspected terrorists and terrorist organizations.

As a result, a Fund must obtain the following information for each person that opens a new account:

- Name;
- Date of birth (for individuals);
- Residential or business street address (although post office boxes are still permitted for mailing); and
- Social Security number, taxpayer identification number, or other identifying number.

You may also be asked for a copy of your driver's license, passport or other identifying document in order to verify your identity. In addition, it may be necessary to verify your identity by cross-referencing your identification information with a consumer report or other electronic database. Additional information may be required to open accounts for corporations and other entities.

Federal law prohibits the Funds and other financial institutions from opening a new account unless they receive the minimum identifying information listed above. After an account is opened, the Funds may restrict your ability to purchase additional shares until your identity is verified. The Funds may close your account or take other appropriate action if they are unable to verify your identity within a reasonable time. If your account is closed for this reason, your shares will be redeemed at the NAV next calculated after the account is closed.

Forward Funds and its agents will not be responsible for any loss in an investor's account resulting from the investor's delay in providing all required identifying information or from closing an account or redeeming an investor's shares when an investor's identity is not verified.

eDELIVERY

eDelivery allows you to receive your quarterly account statements, transaction confirmations and other important information concerning your investment in Forward Funds online. Select this option on your account application to receive email notifications when quarterly statements and confirmations are available for you to view via secure online access. You will also receive emails whenever a new prospectus, semi-annual or annual fund report is available. To establish eDelivery, call (800) 999-6809 or visit www.forwardfunds.com. The minimum initial investment for accounts enrolled in eDelivery is $2,000.

ONLINE ACCOUNT ACCESS

Shareholders can opt to access their account information online. You must select this option on your account application or call (800) 999-6809 to register. To set up online access, go to www.forwardfunds.com, select Account Login and obtain a user ID and password. If you have questions, or problems accessing your account, contact Forward Funds at (800) 999-6809.

OTHER INFORMATION

The issuance of shares is recorded electronically on the books of Forward Funds. You will receive a confirmation of, or account statement reflecting, each new transaction in your account, which will also show the total number of shares of each Fund you own. You can rely on these statements in lieu of certificates. Certificates representing shares of the Funds will not be issued.

Forward Funds may be required to "freeze" your account if there appears to be suspicious activity or if account information matches information on a government list of known terrorists or other suspicious persons.

Due to the relatively high cost of handling small investments, Forward Funds reserve the right, upon 60 days' written notice, to redeem, at NAV, the shares of any shareholder whose account has a value of less than $100 in a Fund, other than as a result of a decline in the NAV per share. This policy will not be implemented where the Fund has previously waived the minimum investment requirement for that shareholder. Before a Fund redeems such shares and sends the proceeds to the shareholder, it will notify the shareholder that the value of the shares in the account is less than the minimum amount and will allow the shareholder 60 days to make an additional investment in an amount that will increase the value of the account to at least $100 before the redemption is processed. As a sale of your Fund shares, this redemption may have tax consequences.

Forward Funds reserves the right to refuse any request to purchase shares.

You may normally redeem your shares on any Business Day. Redemptions are priced at the NAV per share next determined after receipt of a redemption request in proper form by the Funds' Distributor, Forward Funds or their agents and subject to any applicable CDSC. A financial intermediary may charge its customers a transaction or service fee in connection with redemptions. Forward Funds intends to redeem shares of a Fund solely in cash up to the lesser of $250,000 or 1.00% of the Fund's net assets during any 90-day period for any one shareholder. In consideration of the best interests of the remaining shareholders, Forward Funds reserves the right to pay any redemption proceeds exceeding this amount in whole or in part by a distribution in-kind of securities held by a Fund in lieu of cash. It is highly unlikely that shares would ever be redeemed in-kind. If shares are redeemed in-kind, the redeeming shareholders should expect to incur transaction costs upon the disposition of the securities received in the distribution including, but not limited to, brokerage costs of converting the portfolio securities to cash.

HOW TO REDEEM SHARES

Neither the investment advisor, the Distributor, the Transfer Agent, Forward Funds nor any of their affiliates or agents will be liable for any loss, expense or cost when acting upon any oral, wired or electronically transmitted instructions or inquiries believed by them to be genuine. While precautions will be taken, as more fully described below, you bear the risk of any loss as the result of unauthorized telephone redemptions or exchanges believed to be genuine. Forward Funds will employ reasonable procedures to confirm that instructions communicated by telephone are genuine. These procedures include recording phone conversations, sending confirmations to shareholders within 72 hours of the telephone transaction, verifying the account name and sending redemption proceeds only to the address of record or to a previously authorized bank account.

- ***By Telephone***

You may redeem your shares by telephone if you choose that option on your Account Application. If you did not originally select the telephone option, you must provide written instructions to Forward Funds in order to add this option. The maximum amount that may be redeemed by telephone at any one time is $50,000. You may have the proceeds mailed to your address of record or wired to a bank account previously designated on the Account Application. If you elect to have the payment wired to your bank, a wire transfer fee of $30.00 will be charged by Forward Funds.

- ***By Mail***

To redeem by mail, you must send a written request for redemption to Forward Funds, P.O. Box 1345, Denver, CO 80201. The Funds' Transfer Agent will require a Medallion Signature Guarantee. A Medallion Signature Guarantee may be obtained from a domestic bank or trust company, broker, dealer, clearing agency, savings association, or other financial institution that is participating in a medallion program recognized by the Securities Transfer Association. Signature guarantees from financial institutions that are not participating in one of these programs are not accepted as Medallion Signature Guarantees. The Medallion Signature Guarantee requirement will be waived if all of the following conditions apply (1) the redemption check is payable to the shareholder(s) of record, (2) the redemption check is mailed to the shareholder(s) at the address of record, (3) an application is on file with the Transfer Agent, and (4) the proceeds of the redemption are $50,000 or less. The Transfer Agent cannot send an overnight package to a post office box.

- *By Systematic Withdrawal*

You may elect to have monthly electronic transfers ($100 minimum) made to your bank account from your Forward Funds account. Your Forward Funds account must have a minimum balance of $10,000 and automatically have all dividends and capital gains reinvested. The transfer will be made on the day you specify (or the next Business Day) to your designated account or a check will be mailed to your address of record. If you do not specify a day, the transfer will be made on the 20th day of each month or the next Business Day if the 20th is not a Business Day.

- *Retirement Accounts*

To redeem shares from an IRA, Roth IRA, SIMPLE IRA, SEP IRA, 403(b) or other retirement account, you must mail a completed and signed Distribution Form to the Forward Funds. You may not redeem shares of an IRA, Roth IRA, SIMPLE IRA, SEP IRA, 403(b) or other retirement account by telephone or via the Internet.

PAYMENTS OF REDEMPTION PROCEEDS

Redemption orders are valued at the NAV per share next determined after the shares are properly tendered for redemption, as described above. Payment for shares redeemed generally will be made within seven days after receipt of a valid request for redemption. The Forward Funds may temporarily stop redeeming shares or delay payment of redemption proceeds when the NYSE is closed or trading on the NYSE is restricted, when an emergency exists and the Forward Funds cannot sell shares or accurately determine the value of assets, or if the SEC orders the Forward Funds to suspend redemptions or delay payment of redemption proceeds.

At various times, Forward Funds may be requested to redeem shares for which it has not yet received good payment. If this is the case, the forwarding of proceeds may be delayed until payment has been collected for the purchase of the shares. The delay may last 15 days or more. The Forward Funds intends to forward the redemption proceeds as soon as good payment for purchase orders has been received. This delay may be avoided if shares are purchased by wire transfer. Forward Funds intends to pay cash for all shares redeemed, except in cases noted above under the heading “Redeeming Shares,” in which case payment for certain large redemptions may be made wholly or partly in portfolio securities that have a market value equal to the redemption price. You may incur brokerage costs in converting the portfolio securities to cash.

- *By Check*

You may have a check for the redemption proceeds mailed to your address of record. To change the address to which a redemption check is to be mailed, you must send a written request with a Medallion Signature Guarantee to Forward Funds, P.O. Box 1345, Denver, CO 80201.

- *By ACH Transfer*

If your account is bank ACH active, you may have your redemption proceeds sent to your bank account via ACH transfer.

- ***By Wire Transfer***

You can arrange for the proceeds of a redemption to be sent by wire transfer to a single previously designated bank account if you have given authorization for expedited wire redemption on your Forward Funds Account Application. This redemption option does not apply to shares held in broker "street name" accounts. If a request for a wire redemption is received by Forward Funds prior to the close of the NYSE, the shares will be redeemed that day at the next determined NAV, and the proceeds will generally be sent to the designated bank account the next Business Day. The bank must be a member of the Federal Reserve wire system. Delivery of the proceeds of a wire redemption request may be delayed by Forward Funds for up to seven days if the Distributor deems it appropriate under then current market conditions. Redeeming shareholders will be notified if a delay in transmitting proceeds is anticipated. Forward Funds cannot be responsible for the efficiency of the Federal Reserve wire system or the shareholder's bank. You are responsible for any charges imposed by your bank. The minimum amount that may be wired is $2,500. Forward Funds reserves the right to change this minimum or to terminate the wire redemption privilege. Shares purchased by check may not be redeemed by wire transfer until the shares have been owned (i.e., paid for) for at least 15 days. To change the name of the single bank account designated to receive wire redemption proceeds, you must send a written request with a Medallion Signature Guarantee to Forward Funds, P.O. Box 1345, Denver, CO 80201. If you elect to have the payment wired to your bank, a wire transfer fee of $30.00 will be charged by Forward Funds.

The Funds do not accommodate frequent purchases and redemptions of Fund shares. Short-term or excessive trading may interfere with the efficient management of a Fund, increase transaction costs and taxes and may harm a Fund's performance. The Board of Trustees has adopted policies and procedures with respect to frequent purchases and redemptions of fund shares.

The Funds attempt to discover and discourage frequent trading in several ways. These methods include trade activity monitoring and fair value pricing. Although these methods are designed to discourage frequent trading, there can be no guarantee that the Funds will be able to identify and restrict investors that engage in such activities. These methods are inherently subjective and involve judgment in their application. The Funds and their service providers seek to make these judgments and apply these methods uniformly and in a manner that they believe is consistent with the interests of the Funds' long-term shareholders. The Funds may amend these policies and procedures in the future to enhance the effectiveness of the program or in response to changes in regulatory requirements.

The Funds monitor trading activity with respect to the purchase, sale and exchange of Fund shares. Trading activity is evaluated to determine whether such activity is indicative of market timing activity or is otherwise detrimental to a Fund. If a Fund believes that a shareholder has engaged in short-term or excessive trading activity to the detriment of the Fund and its long-term shareholders, the Fund may, in its sole discretion, request the shareholder to stop such trading activities or refuse to process purchases or exchanges in the shareholder's account. The Funds specifically reserve the right to reject any purchase or exchange order by any investor or group of investors indefinitely for any reason.

The Funds currently are unable to directly monitor the trading activity of beneficial owners of the Funds' shares who hold those shares through third-party 401(k) and other group retirement plans and other omnibus arrangements maintained by other intermediaries. Omnibus accounts allow intermediaries to aggregate their customers' investments in one account and to purchase, redeem and exchange Fund shares without the identity of a particular customer being known to a Fund. A number of these financial intermediaries may not have the capability or may not be willing to apply the Funds' short term trading policies. Although it attempts to do so, the Funds cannot assure that these policies will be enforced with regard to Fund shares held through such omnibus arrangements.

The Board of Trustees has adopted procedures to fair value each Fund's securities in certain circumstances when market prices are not readily available, including when trading in a security is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; when a security's primary trading market is closed during regular market hours; or when a security's value is materially affected by events occurring after the close of the security's primary trading market.

By fair valuing securities, the Funds seek to establish prices that investors might expect to realize upon the current sales of these securities. For non-U.S. securities, fair valuation is intended to deter market timers who may take advantage of time zone differences between the close of the foreign markets on which a Fund's portfolio securities trade and the U.S. markets that determine the time as of which the Fund's NAV is calculated.

The Funds make fair value determinations in good faith in accordance with the Funds' valuation procedures. Because of the subjective and variable nature of fair value pricing, there can be no assurance that a Fund could obtain the fair value assigned to the security upon the sale of such security.

DISTRIBUTION AND SHAREHOLDER SERVICES PLANS

Forward Funds has adopted distribution plans under Rule 12b-1 (each a "Plan" and collectively the "Plans") for Class A, Class B and Class C shares of each Fund that allow the Funds to pay for the sale and distribution of its shares. A Fund may make payments under each Plan for the purpose of financing any activity primarily intended to result in the sale of shares. In addition, payments under each Plan may be made to banks and their affiliates and other institutions, including broker-dealers, for the provision of administrative and/or shareholder services for Fund shareholders.

Under the Plans a Fund may pay one or more persons or entities a fee at the annual rate of up to 0.35%, 0.75% and 0.75% of the Fund's average daily net assets attributable to Class A, Class B and Class C shares, respectively, for services rendered and expenses borne in connection with the provision of distribution services with respect to the Class A, Class B and Class C shares of the Fund. Because these fees are paid out of assets attributable to each Fund's Class A, Class B and Class C shares on an on-going basis, over time these fees will increase the cost of an investment in such shares and may cost more than other types of sales charges.

In addition, Forward Funds has adopted a Shareholder Services Plan with respect to the Class A, Class B and Class C shares of each Fund. Under the Shareholder Services Plan, a Fund is authorized to pay third party service providers for certain expenses incurred in connection with providing services to shareholders of each respective class. Payments under the Shareholder Services Plan for Class A shares are calculated daily and paid monthly at an annual rate not to exceed 0.20% of the average daily net assets attributable to the Class A shares of a Fund. Payments under the Shareholder Services Plan for the Class B shares are calculated daily and paid monthly at an annual rate not to exceed 0.25% of the average daily net assets attributable to the Class B shares of a Fund. Payments under the Shareholder Services Plan for the Class C shares are calculated daily and paid monthly at an annual rate not to exceed 0.25% of the average daily net assets attributable to the Class C shares of a Fund.

Because these fees are paid out of assets attributable to the Fund's Class A, Class B and Class C shares on an on-going basis, over time these fees will increase the cost of an investment in such shares and may cost more than other types of sales charges.

Forward Management or its affiliates may enter into arrangements to make additional payments, sometimes referred to as "revenue sharing," to certain financial intermediaries or their affiliates. Revenue sharing arrangements occur when Forward Management or its affiliates agree to payout of their own resources (which may include legitimate profits from providing advisory or other services to the Funds), cash compensation to intermediaries in addition to any sales charges, distribution fees, service fees or other expenses paid by the Funds or their shareholders as disclosed in the Fund Fees and Expenses tables in this Prospectus. Revenue sharing arrangements may include payments for shelf space and marketing support to distribute the Funds' shares, as well as compensation for shareholder recordkeeping, processing, accounting and/or other administrative or distribution services in connection with the sale or servicing of shares of the Funds. This compensation may be more or less than the overall compensation received by intermediaries with respect to other investment products and may influence intermediaries to present the Funds or make them available to their other customers. For more information about these payments, please see the SAI or ask your financial intermediary.

The Forward Select Income Fund and the Forward Strategic Realty Fund expect to declare and pay dividends of net investment income and capital gain distributions quarterly, if available. The Forward International Real Estate Fund and the Forward Global Infrastructure Fund expect to declare and pay dividends of net investment income and capital gain distributions semi-annually, if available. A shareholder will automatically receive all income, dividends and capital gain distributions in additional full and fractional shares, unless the shareholder elects to receive dividends or distributions in cash. To elect to receive your dividends in cash or to revoke your election, call (800) 999-6809, or write to us at Forward Funds, P.O. Box 1345, Denver, CO 80201.

FEDERAL TAXES

The following information is meant only as a general summary for U.S. shareholders. Please see the SAI for additional information. You should rely on your own tax advisor for advice about the particular Federal, state and local or foreign tax consequences to you of investing in a Fund.

Each Fund will distribute all or substantially all of its net investment income and net capital gains to its shareholders each year.

Although a Fund will not be taxed on amounts it distributes, most shareholders will be taxed on amounts they receive. A particular distribution generally will be taxable as either ordinary income or long-term capital gains. The tax status of a particular distribution generally will be the same for all of a Fund's shareholders. Except as described below, it does not matter how long you have held your Fund shares or whether you elect to receive your distributions in cash or reinvest them in additional Fund shares. For example, if a Fund designates a particular distribution as a long-term capital gain distribution, it will be taxable to you at your long-term capital gain rate.

Dividends attributable to interest are not eligible for the reductions in rates described below. Current tax law generally provides for a maximum tax rate for individual taxpayers of 15% on long-term gains and on certain qualifying dividends on corporate stock. These rate reductions do not apply to corporate taxpayers. The following are guidelines for how certain distributions by a Fund are generally taxed to individual taxpayers:

- Distributions of earnings from qualifying dividends and qualifying long-term capital gains will be taxed at a maximum rate of 15%;
- Distributions of earnings from dividends paid by certain "qualified foreign corporations" can also qualify for the lower tax rates on qualifying dividends;
- A shareholder will also have to satisfy a more than 60-day holding period with respect to any distributions of qualifying dividends in order to obtain the benefit of the lower tax rate;
- Distributions of earnings from non-qualifying dividends, interest income (including interest income from fixed-income securities), other types of ordinary income and short-term capital gains will be taxed at the ordinary income tax rate applicable to the taxpayer.

Dividends declared by a Fund in October, November or December and paid during the following January may be treated as having been received by shareholders in the year the distributions were declared. Each year, the Funds will send shareholders tax reports detailing the tax status of any distributions for that year.

Shareholders who are not subject to tax on their income, such as qualified retirement accounts and other tax-exempt investors, generally will not be required to pay tax on distributions.

There may be tax consequences to you if you sell or redeem Fund shares. You will generally have a capital gain or loss, which will be long-term or short-term, generally depending on how long you hold those shares. If you exchange a Fund's shares for shares of another fund, you may be treated as if you sold them and any gain on the transaction may be subject to Federal income tax. Any loss recognized on shares held for six months or less will be treated as long-term capital loss to the extent of any long-term capital gain distributions that were received with respect to the shares. Additionally, any loss realized on a sale or exchange of shares of a Fund may be disallowed under "wash sale" rules to the extent the shares disposed of are replaced with other shares of the Fund within a period of 61 days beginning 30 days before and ending 30 days after the shares are disposed of, such as pursuant to a dividend reinvestment in shares of the Fund. If disallowed, the loss will be reflected in an adjustment to the tax basis of the shares acquired.

As with all mutual funds, each Fund may be required to withhold U.S. Federal income tax at the current rate of 28% of all taxable distributions payable to you if you fail to provide the Fund with your correct taxpayer identification number or to make required certifications, or if you have been notified by the IRS that you are subject to backup withholding. Backup withholding is not an additional tax; rather, it is a way in which the IRS ensures it will collect taxes otherwise due. Any amounts withheld may be credited against your U.S. Federal income tax liability.

INVESTMENT IN REAL ESTATE INVESTMENT TRUSTS

Each Fund may invest in real estate investment trusts (REITs). REITs are pooled investment vehicles that invest primarily in income producing real estate or real estate related loans or interests. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs primarily invest directly in real property and derive income from the collection of rents. Equity REITs may also sell properties that have appreciated in value and thereby realize capital gains. Mortgage REITs invest primarily in real estate mortgages and derive income from interest payments. Like regulated investment companies, REITs are not taxed on income distributed to shareholders if the REITs comply with Code requirements.

REITs pay distributions to their shareholders based upon available cash flow from operations. In many cases, because of "non-cash" expenses such as property depreciation, an equity REIT's cash flow will exceed its earnings and profits. Distributions received from a REIT do not qualify for the intercorporate dividends-received deductions and are taxable as ordinary income to the extent of the REIT's earnings and profits. Distributions in excess of a REIT's earnings and profits are designated as return of capital and are generally not taxable to shareholders. However, return of capital distributions reduce tax basis in the REIT shares. Once a shareholder's cost basis is reduced to zero, any return of capital is taxable as a capital gain. The Forward Select Income Fund intends to, and the other Funds may, include the gross dividends received from such REITs in its distributions to shareholders, and accordingly, a portion of that fund's distributions may also be designated as a return of capital. REITs often do not provide complete tax information until after the calendar year-end. Consequently, because of the delay, it may be necessary for a Fund to extend the deadline for issuance of Forms 1099-DIV beyond January 31.

Please see the SAI for additional tax information.

PORTFOLIO HOLDINGS DISCLOSURE

Forward Funds discloses all portfolio holdings of the Funds as of the end of each month on its web site at www.forwardfunds.com. Portfolio holdings as of month-end are posted on the 21st day of the next succeeding month (or, if the 21st day is not a Business Day, then on the next Business Day).

A description of Forward Funds' policies and procedures with respect to the disclosure of the Funds' portfolio holdings is available in the SAI.

GENERAL INFORMATION

You can obtain current price, yield and other performance information on any of the Forward Funds between the hours of 9:00 a.m. and 8:00 p.m. Eastern Time Monday through Friday by calling (800) 999-6809. You can request shareholder reports that contain performance information. These are available free of charge.

Our shareholders receive unaudited semi-annual reports and annual reports that have been audited by independent accountants. In addition to information available in annual and semi-annual reports, quarterly portfolio holdings information for the first and third fiscal quarters is available on the SEC's website at www.sec.gov. If you have any questions about Forward Funds, write to Forward Funds, P.O. Box 1345, Denver, CO 80201 or call (800) 999-6809.

You should rely only on the information provided in this Prospectus and the SAI concerning the offering of each Fund's shares. We have not authorized anyone to give any information that is not already contained in this Prospectus and the SAI. Shares of the Forward Funds are offered only where the sale is legal.

The financial highlights tables are intended to help you understand the Funds' financial performance and other financial information for the last five years of the Funds' operations. Certain information reflects financial results for a single Fund share. "Total Return" shows how much an investment in each Fund increased (or lost) assuming reinvestment of all dividends and distributions.

The financial highlights information for the Funds include the financial history of the Class A, Class B and Class C shares of the Kensington Select Income Fund, the Kensington Strategic Realty Fund, the Kensington Global Infrastructure Fund and the Kensington International Real Estate Fund (the "Predecessor Funds"), which were reorganized into the Forward Select Income Fund, the Forward Strategic Realty Fund, the Forward Global Infrastructure Fund and the Forward International Real Estate Fund, respectively, on June 12, 2009. The information for the Predecessor Funds has been audited by the Predecessor Funds' independent registered public accounting firm, whose report, along with the Funds' financial statements, are included in the Funds' Annual Report which was filed with the Securities and Exchange Commission on March 12, 2009 (Accession No. 0001206774-09-000469) and is available upon request.

Additional information about the Funds' investments will be available in the Funds' annual and semi-annual reports to shareholders when they are prepared.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout the periods presented.

	Forward Select Income Fund - Class A				
	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004
Net asset value, beginning of period	$25.14	$35.90	$33.69	$37.07	$36.76
Investment activities:					
Net investment income	2.42[b]	2.40[b]	2.19[b]	2.41(b)	2.04
Net realized and unrealized gains from investments, options and securities sold short	(12.02)	(10.70)	2.87	(3.09)	1.92
Total from Investment Activities	(9.60)	(8.30)	5.05	(0.68)	3.96
Distributions:					
Net investment income	(1.70)	(1.83)	(2.31)	(2.50)	(1.95)
Net realized gains	—	—	(0.37)	(0.19)	(1.70)
Return of capital	(0.71)	(0.63)	(0.17)	(0.01)	—
Total Distributions	(2.41)	(2.46)	(2.85)	(2.70)	(3.65)
Redemption Fees	$0.04	[c]	[c]	[c]	—
Net Asset Value, End of Period	$13.17	$25.14	$35.90	$33.69	$37.07
Total Return (excludes sales charge)	(40.49)%[d][e]	(24.21)%[d]	15.61%	(1.99)%	11.30%
Ratios/supplementary data:					
Net Assets, End of Period (000's)	$208,502	$246,986	$484,186	$444,576	$534,973
Ratio of expenses to average net assets (excluding dividend and interest expense)	1.58%	1.50%	1.48%	1.47%	1.60%
Ratio of expenses to average net assets (including dividend and interest expense)	2.36%	2.15%	2.44%	2.13%	2.32%
Ratio of net investment income to average net assets	11.50%	7.20%	6.31%	6.66%	7.49%
Portfolio Turnover[a]	66.41%	87.89%	20.60%	35.70%	37.74%

(a) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(b) *Computed using the average share method.*

(c) *Less than $0.01 per share.*

(d) *Includes the effects of certain excess investments made by the Fund in shares of other investment companies in the amount of $(0.22) per share.*

(e) *In 2008, the return includes an increase from payment by affiliates for net losses realized on investments not meeting investment restrictions. Excluding such item, the total return would have been decreased by 0.30%.*

	Forward Select Income Fund - Class B				
	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004
Net asset value, beginning of period	$24.86	$35.60	$33.44	$36.84	$36.57
Investment activities:					
Net investment income	2.28[b]	2.13[b]	1.92[b]	2.12[b]	1.80
Net realized and unrealized gains from investments, options and securities sold short	(11.90)	(10.59)	2.83	(3.07)	1.85
Total from Investment Activities	(9.62)	(8.46)	4.75	(0.95)	3.65
Distributions:					
Net investment income	(1.62)	(1.65)	(2.05)	(2.25)	(1.74)
Net realized gains	—	—	(0.37)	(0.19)	(1.64)
Return of capital	(0.64)	(0.63)	(0.17)	(0.01)	—
Total Distributions	(2.26)	(2.28)	(2.59)	(2.45)	(3.38)
Redemption Fees	[c]	[c]	[c]	[c]	—
Net Asset Value, End of Period	$12.98	$24.86	$35.60	$33.44	$36.84
Total Return (excludes sales charge)	(41.01)%[d][e]	(24.78)%[d]	14.72%	(2.73)%	10.45%
Ratios/supplementary data:					
Net Assets, End of Period (000's)	$21,423	$37,874	$69,867	$74,926	$83,185
Ratio of expenses to average net assets (excluding dividend and interest expense)	2.33%	2.25%	2.23%	2.22%	2.35%
Ratio of expenses to average net assets (including dividend and interest expense)	3.11%	2.90%	3.19%	2.88%	3.07%
Ratio of net investment income to average net assets	10.75%	6.45%	5.56%	5.95%	6.73%
Portfolio Turnover[a]	66.41%	87.89%	20.60%	35.07%	37.74%

(a) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(b) *Computed using the average share method.*

(c) *Less than $0.01 per share.*

(d) *Includes the effects of certain excess investments made by the Fund in shares of other investment companies in the amount of $(0.22) per share.*

(e) *In 2008, the return includes an increase from payment by affiliates for net losses realized on investments not meeting investment restrictions. Excluding such item, the total return would have been decreased by 0.31%.*

	Forward Select Income Fund - Class C				
	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004
Net asset value, beginning of period	$24.80	$35.53	$33.38	$36.77	$36.51
Investment activities:					
Net investment income	2.22[b]	2.11[b]	1.91[b]	2.12[b]	1.82
Net realized and unrealized gains from investments, options and securities sold short	(11.81)	(10.56)	2.83	(3.06)	1.82
Total from Investment Activities	(9.59)	(8.45)	4.74	(0.94)	3.64
Distributions:					
Net investment income	(1.62)	(1.65)	(2.05)	(2.25)	(1.74)
Net realized gains	—	—	(0.37)	(0.19)	(1.64)
Return of capital	(0.64)	(0.63)	(0.17)	(0.01)	—
Total Distributions	(2.26)	(2.28)	(2.59)	(2.45)	(3.38)
Redemption Fees	[c]	[c]	[c]	[c]	—
Net Asset Value, End of Period	$12.95	$24.80	$35.53	$33.38	$36.77
Total Return (excludes sales charge)	(40.99)%[d][e]	(24.80)%[d]	14.72%	(2.71)%	10.43%
Ratios/supplementary data:					
Net Assets, End of Period (000's)	$102,163	$134,139	$223,325	$220,262	$237,965
Ratio of expenses to average net assets (excluding dividend and interest expense)	2.33%	2.25%	2.23%	2.22%	2.35%
Ratio of expenses to average net assets (including dividend and interest expense)	3.11%	2.90%	3.19%	2.88%	3.07%
Ratio of net investment income to average net assets	10.75%	6.45%	5.56%	5.96%	6.73%
Portfolio Turnover[a]	66.41%	87.89%	20.60%	35.70%	37.74%

(a) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(b) *Computed using the average share method.*

(c) *Less than $0.01 per share.*

(d) *Includes the effects of certain excess investments made by the Fund in shares of other investment companies in the amount of $(0.22) per share.*

(e) *In 2008, the return includes an increase from payment by affiliates for net losses realized on investments not meeting investment restrictions. Excluding such item, the total return would have been decreased by 0.31%.*

FINANCIAL HIGHLIGHTS

	Forward Strategic Realty Fund - Class A				
	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004
Net asset value, beginning of period	$34.88	$54.22	$46.47	$51.06	$45.34
Investment activities:					
Net investment income	1.92[b]	1.63[b]	1.38[b]	1.44[b]	2.21[b]
Net realized and unrealized gains (losses) from investments, options and securities sold short	(21.78)	(12.98)	12.27	0.98	9.73
Total from Investment Activities	(19.86)	(11.35)	13.66	2.42	11.94
Distributions:					
Net investment income	(1.58)	(1.87)	(2.18)	(2.16)	(2.39)
Net realized gains	(0.10)	(6.12)	(3.73)	(4.84)	(3.83)
Return of capital	(0.32)	—	—	(0.07)	—
Total Distributions	(2.00)	(7.99)	(5.91)	(7.07)	(6.22)
Redemption Fees	—[c]	[c]	[c]	[c]	—
Repayment of Advisory Fees	n/a	n/a	n/a	0.06	n/a
Net Asset Value, End of Period	$13.02	$34.88	$54.22	$46.47	$51.06
Total Return (excludes sales charge)	(58.78)%	(21.81)%	30.16%	4.76%[d]	27.63%
Ratios/supplementary data:					
Net Assets, End of Period (000's)	$43,718	$208,147	$473,172	$392,881	$401,565
Ratio of expenses to average net assets (excluding dividend and interest expense)	0.71%	1.55%	1.40%	1.96%	1.27%
Ratio of expenses to average net assets (including dividend and interest expense)	1.80%	3.06%	3.07%	3.62%	2.49%
Ratio of net investment income to average net assets	6.43%	3.14%	2.66%	2.87%	4.75%
Portfolio Turnover[a]	189.36%	222.21%	151.51%	206.15%	173.21%

(a) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(b) *Computed using the average share method.*

(c) *Less than $0.01 per share.*

(d) *In 2005, the return excludes a reimbursement by the adviser for an advisory fee correction. Including such item, the total return would have been increased by 0.13%.*

FINANCIAL HIGHLIGHTS

	Forward Strategic Realty Fund - Class B				
	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004
Net asset value, beginning of period	$34.42	$53.60	$46.00	$50.63	$45.02
Investment activities:					
Net investment income	1.64[b]	1.22[b]	0.98[b]	1.04[b]	1.83[b]
Net realized and unrealized gains (losses) from investments, options and securities sold short	(21.44)	(12.79)	12.14	0.97	9.66
Total from Investment Activities	(19.80)	(11.57)	13.12	2.01	11.49
Distributions:					
Net investment income	(1.40)	(1.49)	(1.79)	(1.79)	(2.05)
Net realized gains	(0.10)	(6.12)	(3.73)	(4.84)	(3.83)
Return of capital	(0.29)	—	—	(0.07)	—
Total Distributions	(1.79)	(7.61)	(5.52)	(6.70)	(5.88)
Redemption Fees	—	[c]	[c]	[c]	—
Repayment of Advisory Fees	n/a	n/a	n/a	0.06	n/a
Net Asset Value, End of Period	$12.83	$34.42	$53.60	$46.00	$50.63
Total Return (excludes sales charge)	(59.07)%	(22.38)%	29.18%	3.96%[d]	26.67%
Ratios/supplementary data:					
Net Assets, End of Period (000's)	$9,597	$37,461	$67,851	$57,629	$59,943
Ratio of expenses to average net assets (excluding dividend and interest expense)	1.46%	2.29%	2.15%	2.71%	2.02%
Ratio of expenses to average net assets (including dividend and interest expense)	2.55%	3.81%	3.82%	4.37%	3.24%
Ratio of net investment income to average net assets	5.68%	2.39%	1.91%	2.10%	4.00%
Portfolio Turnover[a]	189.36%	222.21%	151.51%	206.15%	173.21%

(a) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(b) *Computed using the average share method.*

(c) *Less than $0.01 per share.*

(d) *In 2005, the return excludes a reimbursement by the adviser for an advisory fee correction. Including such item, the total return would have been increased by 0.13%.*

FINANCIAL HIGHLIGHTS

	Forward Strategic Realty Fund - Class C				
	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004
Net asset value, beginning of period	$34.41	$53.56	$45.97	$50.60	$44.99
Investment activities:					
Net investment income	1.64[(b)]	1.22[(b)]	0.98[(b)]	1.04([b)]	1.84[(b)]
Net realized and unrealized gains (losses) from investments, options and securities sold short	(21.43)	(12.78)	12.13	0.97	9.65
Total from Investment Activities	(19.79)	(11.56)	13.11	2.01	11.49
Distributions:					
Net investment income	(1.39)	(1.47)	(1.79)	(1.79)	(2.05)
Net realized gains	(0.10)	(6.12)	(3.73)	(4.84)	(3.83)
Return of capital	(0.29)	—	—	(0.07)	—
Total Distributions	(1.78)	(7.59)	(5.52)	(6.70)	(5.88)
Redemption Fees	—[(c)]	[(c)]	[(c)]	[(c)]	—
Repayment of Advisory Fees	n/a	n/a	n/a	0.06	n/a
Net Asset Value, End of Period	$12.84	$34.41	$53.56	$45.97	$50.60
Total Return (excludes sales charge)	(59.08)	(22.36)%	29.18%	3.97%(d)	26.69%
Ratios/supplementary data:					
Net Assets, End of Period (000's)	$22,658	$90,500	$183,049	$148,222	$146,183
Ratio of expenses to average net assets (excluding dividend and interest expense)	1.46%	2.30%	2.15%	2.71%	2.02%
Ratio of expenses to average net assets (including dividend and interest expense)	2.55%	3.81%	3.82%	4.37%	3.24%
Ratio of net investment income to average net assets	5.68%	2.39%	1.91%	2.10%	4.00%
Portfolio Turnover[(a)]	189.36%	222.21%	151.51%	206.15%	173.21%

(a) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(b) *Computed using the average share method.*

(c) *Less than $0.01 per share.*

(d) *In 2005, the return excludes a reimbursement by the adviser for an advisory fee correction. Including such item, the total return would have been increased by 0.13%.*

FINANCIAL HIGHLIGHTS

	Forward Global Infrastructure Fund - Class A	
	For the Year Ended December 31, 2008	For the Period Ended December 31, 2007[1]
Net asset value, beginning of period	$27.10	$25.00
Investment activities:		
Net investment income	0.44[d]	0.20[d]
Net realized and unrealized gains from investments	(11.82)	2.08
Total from Investment Activities	(11.38)	2.28
Distributions:		
Net investment income	(0.33)	(0.11)
Net realized gains	(0.04)	(0.07)
Return of capital	[e]	
Total Distributions	(0.37)	(0.18)
Redemption Fees	[e]	
Net Asset Value, End of Period	$15.35	$27.10
Total Return (excludes sales charge)	(42.28)%	9.12%[a]
Ratios/supplementary data:		
Net Assets, End of Period (000's)	$62,918	$70,389
Ratio of expenses to average net assets (including waived fees and reimbursed expenses)	1.51%	1.49%[b]
Ratio of expenses to average net assets (excluding waived fees and reimbursed expenses)	1.69%	1.81%[b]
Ratio of net investment income to average net assets	1.99%	1.53%[b]
Portfolio Turnover[c]	122.74%	41.61%

1 *Commencement of operations was June 29, 2007.*

(a) *Not annualized.*

(b) *Annualized.*

(c) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(d) *Computed using the average share method.*

(e) *Less than $0.01 per share.*

	Forward Global Infrastructure Fund - Class B	
	For the Year Ended December 31, 2008	For the Period Ended December 31, 2007[1]
Net asset value, beginning of period	$27.04	$25.00
Investment activities:		
Net investment income	0.27[(d)]	0.10[(d)]
Net realized and unrealized gains from investments	(11.78)	2.08
Total from Investment Activities	(11.51)	2.18
Distributions:		
Net investment income	(0.19)	(0.07)
Net realized gains	(0.04)	(0.07)
Return of capital	[(e)]	[(e)]
Total Distributions	(0.23)	(0.14)
Redemption Fees	[(e)]	
Net Asset Value, End of Period	$15.30	$27.04
Total Return (excludes sales charge)	(42.73)%	8.68%[(a)]
Ratios/supplementary data:		
Net Assets, End of Period (000's)	$3,708	$4,741
Ratio of expenses to average net assets (including waived fees and reimbursed expenses)	2.26%	2.24%[(b)]
Ratio of expenses to average net assets (excluding waived fees and reimbursed expenses)	2.44%	2.56%[(b)]
Ratio of net investment income to average net assets	1.24%	0.78%[(b)]
Portfolio Turnover[(c)]	122.74%	41.61%

1 *Commencement of operations was June 29, 2007.*

(a) *Not annualized.*

(b) *Annualized.*

(c) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(d) *Computed using the average share method.*

(e) *Less than $0.01 per share.*

FINANCIAL HIGHLIGHTS

	Forward Global Infrastructure Fund - Class C	
	For the Year Ended December 31, 2008	For the Period Ended December 31, 2007[1]
Net asset value, beginning of period	$27.04	$25.00
Investment activities:		
Net investment income	0.27[(d)]	0.10[(d)]
Net realized and unrealized gains from investments	(11.78)	2.08
Total from Investment Activities	(11.51)	2.18
Distributions:		
Net investment income	(0.17)	(0.07)
Net realized gains	(0.04)	(0.07)
Return of capital	[(e)]	
Total Distributions	(0.21)	(0.14)
Redemption Fees	[(e)]	
Net Asset Value, End of Period	$15.32	$27.04
Total Return (excludes sales charge)	(42.76)%	8.72%[(a)]
Ratios/supplementary data:		
Net Assets, End of Period (000's)	$15,369	$23,550
Ratio of expenses to average net assets (including waived fees and reimbursed expenses)	2.26%	2.24%[(b)]
Ratio of expenses to average net assets (excluding waived fees and reimbursed expenses)	2.44%	2.56%[(b)]
Ratio of net investment income to average net assets	1.24%	0.78%[(b)]
Portfolio Turnover[(c)]	122.74%	41.61%

1 *Commencement of operations was June 29, 2007.*

(a) *Not annualized.*

(b) *Annualized.*

(c) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(d) *Computed using the average share method.*

(e) *Less than $0.01 per share.*

FINANCIAL HIGHLIGHTS

	Forward International Real Estate Fund - Class A		
	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Period Ended December 31, 2006[1]
Net asset value, beginning of period	$27.17	$30.00	$25.00
Investment activities:			
Net investment income	0.37[(d)]	0.12[(d)]	0.21[(d)]
Net realized and unrealized gains from investments	(14.29)	(1.23)	5.58
Total from Investment Activities	(13.92)	(1.11)	5.78
Distributions:			
Net investment income	(0.02)	(1.64)	(0.71)
Net realized gains	—	(0.08)	(0.07)
Return of capital	(0.34)		
Total Distributions	(0.36)	(1.72)	(0.78)
Redemption Fees	[(e)]	[(e)]	—
Net Asset Value, End of Period	$12.89	$27.17	$30.00
Total Return (excludes sales charge)	(51.56)%	(3.59)%	23.18%[(a)]
Ratios/supplementary data:			
Net Assets, End of Period (000's)	$43,311	$195,641	$85,573
Ratio of expenses to average net assets (including waived fees and reimbursed expenses)	1.66%	1.66%	1.85%[(b)]
Ratio of expenses to average net assets (excluding waived fees and reimbursed expenses)	1.75%	1.62%	1.85%[(b)]
Ratio of net investment income to average net assets	1.72%	0.40%	1.33%[(b)]
Portfolio Turnover[(c)]	110.14%	89.81%	59.51%

[1] *Commencement of operations was April 28, 2006.*

(a) *Not annualized.*

(b) *Annualized.*

(c) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(d) *Computed using the average share method.*

(e) *Less than $0.01 per share.*

FINANCIAL HIGHLIGHTS

	Forward International Real Estate Fund - Class B		
	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Period Ended December 31, 2006[1]
Net asset value, beginning of period	$27.05	$29.92	$25.00
Investment activities:			
Net investment income	0.21[d]	(0.11)[d]	0.09[d]
Net realized and unrealized gains from investments	(14.21)	(1.23)	5.55
Total from Investment Activities	(14.00)	(1.34)	5.64
Distributions:			
Net investment income	—	(1.45)	(0.65)
Net realized gains	—	(0.08)	(0.07)
Return of capital	(0.17)		
Total Distributions	(0.17)	(1.53)	(0.72)
Redemption Fees	[e]	[e]	—
Net Asset Value, End of Period	$12.88	$27.05	$29.92
Total Return (excludes sales charge)	(51.94)%	(4.36)%	22.61%[a]
Ratios/supplementary data:			
Net Assets, End of Period (000's)	$1,838	$7,711	$3,127
Ratio of expenses to average net assets (including waived fees and reimbursed expenses)	2.41%	2.41%	2.60%[b]
Ratio of expenses to average net assets (excluding waived fees and reimbursed expenses)	2.50%	2.37%	2.60%[b]
Ratio of net investment income to average net assets	0.97%	(0.35)%	0.59%[b]
Portfolio Turnover[c]	110.14%	89.81%	59.51%

1 *Commencement of operations was April 28, 2006.*

(a) *Not annualized.*

(b) *Annualized.*

(c) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(d) *Computed using the average share method.*

(e) *Less than $0.01 per share.*

FINANCIAL HIGHLIGHTS

	Forward International Real Estate Fund - Class C		
	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Period Ended December 31, 2006[1]
Net asset value, beginning of period	$27.04	$29.21	$25.00
Investment activities:			
Net investment income	0.21[d]	(0.11)[d]	0.09[d]
Net realized and unrealized gains from investments	(14.20)	(1.23)	5.55
Total from Investment Activities	(13.99)	(1.34)	5.64
Distributions:			
Net investment income	—	(1.45)	(0.66)
Net realized gains	—	(0.08)	(0.07)
Return of capital	(0.18)		
Total Distributions	(0.18)	(1.53)	(0.73)
Redemption Fees	[e]	[e]	—
Net Asset Value, End of Period	$12.87	$27.04	$29.91
Total Return (excludes sales charge)	(51.92)%	(4.36)%	22.61%[a]
Ratios/supplementary data:			
Net Assets, End of Period (000's)	$12,935	$51,964	$21,499
Ratio of expenses to average net assets (including waived fees and reimbursed expenses)	2.41%	2.41%	2.60%[b]
Ratio of expenses to average net assets (excluding waived fees and reimbursed expenses)	2.50%	2.37%	2.60%[b]
Ratio of net investment income to average net assets	0.97%	(0.35)%	0.59%[b]
Portfolio Turnover[c]	110.14%	89.81%	59.51%

1 *Commencement of operations was April 28, 2006.*

(a) *Not annualized.*

(b) *Annualized.*

(c) *Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.*

(d) *Computed using the average share method.*

(e) *Less than $0.01 per share.*

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You can find out more about the Funds by reviewing the following documents:

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Our annual and semi-annual reports, when available, list the holdings of the Funds, describe the Funds' performance, include the Funds' financial statements, and discuss the market conditions and strategies that significantly affected the Funds' performance during their last fiscal year.

STATEMENT OF ADDITIONAL INFORMATION
The Statement of Additional Information ("SAI") contains additional and more detailed information about the Funds and is considered a part of this Prospectus. The SAI also contains a description of the Funds' policies and procedures for disclosing its portfolio holdings.

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