

Fund Yields

as of May 31, 2010

FORWARD FUNDS

All returns are expressed as a percentage.

Forward Funds — Class A † Class A (@ MOP) returns include effects of the fund's maximum sales charge of 5.75%	Yields (as of 05/31/10)			Total Returns (as of 03/31/10)			Average Annual Returns (as of 03/31/10)					INC. DATE
	CASH DISTRIBUTION RATE (ROLLING 12 MO) [◇]	30-DAY SEC YIELD [△]	30-DAY SEC YIELD (REIT ROC ADJUSTED) [◎]	1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	LIFE	
Forward Global Infrastructure Fund @ NAV *	2.70%	2.96%	—	4.84	-1.55	-1.55	47.18	—	—	—	-7.64	06/29/07
Forward Global Infrastructure Fund @ MOP †	2.54%	—	—	-1.19	-7.20	-7.20	38.73	—	—	—	-9.61	
S&P Global Infrastructure Index ⁽¹⁾	—	—	—	4.04	-1.28	-1.28	47.15	—	—	—	-6.91	
Forward International Real Estate Fund @ NAV *	13.58%	2.86%	—	5.59	0.84	0.84	60.24	-15.84	—	—	-5.85	04/28/06
Forward International Real Estate Fund @ MOP †	12.79%	—	—	-0.51	-4.97	-4.97	51.07	-17.48	—	—	-7.26	
FTSE EPRA/NAREIT Developed ex-U.S. Index ⁽²⁾	—	—	—	5.23	0.62	0.62	70.93	-13.72	—	—	-3.27	
Forward Real Estate Fund @ NAV * †	—	—	1.28%	7.88	6.86	6.86	—	—	—	—	45.16	06/15/09
Forward Real Estate Fund @ MOP † ‡	—	—	—	1.68	0.69	0.69	—	—	—	—	36.75	
FTSE NAREIT Equity REITs Index ⁽³⁾	—	—	—	10.18	10.02	10.02	—	—	—	—	50.64	
Forward Select Income Fund @ NAV *	9.88%	8.76%	—	5.47	11.12	11.12	112.69	-4.05	0.37	—	8.37	03/30/01
Forward Select Income Fund @ MOP †	9.31%	—	—	-0.58	4.72	4.72	100.48	-5.93	-0.81	—	7.65	
BofA Merrill Lynch Preferred Index ⁽⁴⁾	—	—	—	2.10	5.60	5.60	65.08	-6.18	-1.22	—	2.14	
Forward Strategic Realty Fund @ NAV *	3.35%	—	2.78%	9.81	14.26	14.26	122.54	-19.11	-4.38	7.79	9.62	09/15/99
Forward Strategic Realty Fund @ MOP †	3.15%	—	—	3.50	7.68	7.68	109.81	-20.70	-5.50	7.15	9.00	
FTSE NAREIT Composite Index ⁽⁵⁾	—	—	—	9.36	9.46	9.46	99.47	-11.22	2.33	10.85	10.12	
Forward Funds — Class B												
Forward Global Infrastructure Fund @ NAV *	1.58%	2.34%	—	4.73	-1.70	-1.70	45.99	—	—	—	-8.35	06/29/07
Forward Global Infrastructure Fund @ MOP †	—	—	—	-0.27	-6.62	-6.62	40.99	—	—	—	-9.33	
S&P Global Infrastructure Index ⁽¹⁾	—	—	—	4.04	-1.28	-1.28	47.15	—	—	—	-6.91	
Forward International Real Estate Fund @ NAV *	12.46%	2.27%	—	5.59	0.71	0.71	59.15	-16.46	—	—	-6.55	04/28/06
Forward International Real Estate Fund @ MOP †	—	—	—	0.59	-4.29	-4.29	54.15	-17.16	—	—	-7.14	
FTSE EPRA/NAREIT Developed ex-U.S. Index ⁽²⁾	—	—	—	5.23	0.62	0.62	70.93	-13.72	—	—	-3.27	
Forward Select Income Fund @ NAV *	8.48%	8.54%	—	5.36	10.91	10.91	111.17	-4.85	-0.43	—	7.53	03/30/01
Forward Select Income Fund @ MOP †	—	—	—	0.36	5.91	5.91	106.17	-5.55	-0.68	—	7.53	
BofA Merrill Lynch Preferred Index ⁽⁴⁾	—	—	—	2.10	5.60	5.60	65.08	-6.18	-1.22	—	2.14	
Forward Strategic Realty Fund @ NAV *	1.96%	—	2.19%	9.74	14.04	14.04	120.87	-19.72	-5.10	6.98	8.81	09/15/99
Forward Strategic Realty Fund @ MOP †	—	—	—	4.74	9.04	9.04	115.87	-20.30	-5.31	6.98	8.81	
FTSE NAREIT Composite Index ⁽⁵⁾	—	—	—	9.36	9.46	9.46	99.47	-11.22	2.33	10.85	10.12	
Forward Funds — Class C												
† Class C (@ MOP) returns include effects the 1.00% contingent deferred sales charge												
Forward Global Infrastructure Fund @ NAV *	1.51%	2.36%	—	4.72	-1.70	-1.70	45.98	—	—	—	-8.35	06/29/07
Forward Global Infrastructure Fund @ MOP †	—	—	—	3.72	-2.68	-2.68	44.98	—	—	—	-8.35	
S&P Global Infrastructure Index ⁽¹⁾	—	—	—	4.04	-1.28	-1.28	47.15	—	—	—	-6.91	
Forward International Fixed Income Fund @ NAV *	3.10%	2.70%	—	1.36	0.02	0.02	23.45	—	—	—	5.83	10/05/07
Forward International Fixed Income Fund @ MOP †	—	—	—	0.36	-0.97	-0.97	22.45	—	—	—	5.83	
Citigroup World BIG Bond ex-U.S. Index (Unhedged USD) ⁽⁶⁾	—	—	—	-1.48	-2.40	-2.40	9.81	—	—	—	6.35	
Blended rate (60% Citigroup World BIG Bond ex-U.S. Index/20% BofA Merrill Lynch European Currency High Yield Index/20% JP Morgan GBI-EM Global Diversified Composite) ⁽⁷⁾	—	—	—	0.84	0.33	0.33	28.41	—	—	—	7.81	
Forward International Real Estate Fund @ NAV *	12.42%	2.27%	—	5.59	0.71	0.71	59.14	-16.45	—	—	-6.54	04/28/06
Forward International Real Estate Fund @ MOP †	—	—	—	4.59	-0.29	-0.29	58.14	-16.45	—	—	-6.54	
FTSE EPRA/NAREIT Developed ex-U.S. Index ⁽²⁾	—	—	—	5.23	0.62	0.62	70.93	-13.72	—	—	-3.27	
Forward Long/Short Credit Analysis Fund @ NAV *	—	4.81%	—	1.55	4.31	4.31	—	—	—	—	21.38	06/03/09
Forward Long/Short Credit Analysis Fund @ MOP †	—	—	—	0.55	3.31	3.31	—	—	—	—	20.38	
Barclays Capital U.S. Municipal Bond Index ⁽⁸⁾	—	—	—	-0.24	1.25	1.25	—	—	—	—	6.42	
Barclays Capital U.S. Corporate High-Yield Bond Index ⁽⁹⁾	—	—	—	3.13	4.62	4.62	—	—	—	—	30.53	
Forward Real Estate Fund @ NAV * †	—	—	0.60%	7.72	6.65	6.65	—	—	—	—	44.16	06/15/09
Forward Real Estate Fund @ MOP † ‡	—	—	—	6.72	5.65	5.65	—	—	—	—	43.16	
FTSE NAREIT Equity REITs Index ⁽³⁾	—	—	—	10.18	10.02	10.02	—	—	—	—	50.64	
Forward Select Income Fund @ NAV *	8.79%	8.54%	—	5.41	10.88	10.88	111.07	-4.84	-0.42	—	7.53	03/30/01
Forward Select Income Fund @ MOP †	—	—	—	4.41	9.88	9.88	110.07	-4.84	-0.42	—	7.53	
BofA Merrill Lynch Preferred Index ⁽⁴⁾	—	—	—	2.10	5.60	5.60	65.08	-6.18	-1.22	—	2.14	
Forward Strategic Realty Fund @ NAV *	2.08%	—	2.19%	9.76	14.06	14.06	120.70	-19.71	-5.09	6.99	8.81	09/15/99
Forward Strategic Realty Fund @ MOP †	—	—	—	8.76	13.06	13.06	119.70	-19.71	-5.09	6.99	8.81	
FTSE NAREIT Composite Index ⁽⁵⁾	—	—	—	9.36	9.46	9.46	99.47	-11.22	2.33	10.85	10.12	

Forward Funds — Investor Class	Yields (as of 05/31/10)			Total Returns (as of 03/31/10)			Average Annual Returns (as of 03/31/10)					
	CASH DISTRIBUTION RATE (ROLLING 12 MO) [◇]	30-DAY SEC YIELD [△]	30-DAY SEC YIELD (REIT ROC ADJUSTED) ^{**}	1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	LIFE	INC. DATE
Forward International Fixed Income Fund	3.67%	3.26%	—	1.40	0.25	0.25	24.08	—	—	—	6.16	10/05/07
Citigroup World BIG Bond ex-U.S. Index (Unhedged USD) ⁽⁶⁾	—	—	—	-1.48	-2.40	-2.40	9.81	—	—	—	6.35	
Blended rate (60% Citigroup World BIG Bond ex-U.S. Index/20% BofA Merrill Lynch European Currency High Yield Index/20% JP Morgan GBI-EM Global Diversified Composite ⁽⁷⁾)	—	—	—	0.84	0.33	0.33	28.41	—	—	—	7.81	
Forward Long/Short Credit Analysis Fund	5.19%	5.41%	—	1.55	4.56	4.56	41.70	—	—	—	13.67	05/01/08
Barclays Capital U.S. Municipal Bond Index ⁽⁸⁾	—	—	—	-0.24	1.25	1.25	9.69	—	—	—	5.55	
Barclays Capital U.S. Corporate High-Yield Bond Index ⁽⁹⁾	—	—	—	3.13	4.62	4.62	56.18	—	—	—	10.38	
Forward Real Estate Fund [‡]	1.42%	—	1.21%	7.88	6.84	6.84	83.61	-13.40	0.94	8.79	7.39	05/10/99
FTSE NAREIT Equity REITs Index ⁽³⁾	—	—	—	10.18	10.02	10.02	106.68	-10.60	3.80	11.42	9.47	
Forward Funds — Institutional Class												
Forward Global Infrastructure Fund	3.05%	3.38%	—	4.89	-1.44	-1.44	47.55	—	—	—	-7.37	06/29/07
S&P Global Infrastructure Index ⁽¹⁾	—	—	—	4.04	-1.28	-1.28	47.15	—	—	—	-6.91	
Forward International Fixed Income Fund	4.15%	3.54%	—	1.49	0.34	0.34	24.48	—	—	—	6.46	10/05/07
Citigroup World BIG Bond ex-U.S. Index (Unhedged USD) ⁽⁶⁾	—	—	—	-1.48	-2.40	-2.40	9.81	—	—	—	6.35	
Blended rate (60% Citigroup World BIG Bond ex-U.S. Index/20% BofA Merrill Lynch European Currency High Yield Index/20% JP Morgan GBI-EM Global Diversified Composite ⁽⁷⁾)	—	—	—	0.84	0.33	0.33	28.41	—	—	—	7.81	
Forward International Real Estate Fund	14.11%	3.29%	—	5.67	0.97	0.97	60.76	-15.59	—	—	-5.60	04/28/06
FTSE EPRA/NAREIT Developed ex-U.S. Index ⁽²⁾	—	—	—	5.23	0.62	0.62	70.93	-13.72	—	—	-3.27	
Forward Long/Short Credit Analysis Fund	5.63%	5.76%	—	1.62	4.66	4.66	42.18	—	—	—	14.11	05/01/08
Barclays Capital U.S. Municipal Bond Index ⁽⁸⁾	—	—	—	-0.24	1.25	1.25	9.69	—	—	—	5.55	
Barclays Capital U.S. Corporate High-Yield Bond Index ⁽⁹⁾	—	—	—	3.13	4.62	4.62	56.18	—	—	—	10.38	
Forward Real Estate Fund [‡]	7.80%	—	1.62%	7.90	6.96	6.96	81.97	—	—	—	-15.51	05/01/08
FTSE NAREIT Equity REITs Index ⁽³⁾	—	—	—	10.18	10.02	10.02	106.68	—	—	—	-11.18	
Forward Select Income Fund	10.30%	9.58%	—	5.48	11.14	11.14	113.19	-3.77	—	—	-0.17	04/28/06
BofA Merrill Lynch Preferred Index ⁽⁴⁾	—	—	—	2.10	5.60	5.60	65.08	-6.18	—	—	-2.75	
Forward Strategic Realty Fund	3.76%	—	3.21%	9.84	14.31	14.31	123.03	-18.25	—	—	-9.45	04/28/06
FTSE NAREIT Composite Index ⁽⁵⁾	—	—	—	9.36	9.46	9.46	99.47	-11.22	—	—	-4.34	
Forward Funds — M Class												
Forward Global Infrastructure Fund	—	3.43%	—	4.89	—	2.19	—	—	—	—	2.19	02/01/10
S&P Global Infrastructure Index ⁽¹⁾	—	—	—	4.04	—	2.45	—	—	—	—	2.45	
Forward Long/Short Credit Analysis Fund	—	5.41%	—	1.61	—	2.85	—	—	—	—	2.85	02/01/10
Barclays Capital U.S. Municipal Bond Index ⁽⁸⁾	—	—	—	-0.24	—	0.71	—	—	—	—	0.71	
Barclays Capital U.S. Corporate High-Yield Bond Index ⁽⁹⁾	—	—	—	3.13	—	3.41	—	—	—	—	3.41	
Forward Select Income Fund	—	9.61%	—	5.48	—	8.71	—	—	—	—	8.71	02/01/10
BofA Merrill Lynch Preferred Index ⁽⁴⁾	—	—	—	2.10	—	4.19	—	—	—	—	4.19	

* Excludes sales charge. † Class A returns include effects of the fund's maximum sales charge of 5.75%; Class C returns include the 1.00% contingent deferred sales charge. ‡ Prior to January 20, 2009, the Fund was named the Forward Progressive Real Estate Fund. [◇] A cash distribution rate is the sum of the trailing 12 months of cash distributions, excluding capital gains distributions, divided by the most recent net asset value at the end of the period. At times, the Global Infrastructure Fund, International Real Estate Fund, Select Income Fund and Strategic Realty Fund may pay distributions in excess of its net investment taxable income. To the extent this occurs, the dividend factor will include a component of return of capital. A return of capital may occur when the dividends received by the funds from its REIT investments are classified as return of capital. A return of capital distribution does not necessarily reflect a Fund's investment performance and should not be confused with "yield," "income" or "profit." You should not draw any conclusions about the Fund's investment performance from the amount of the distribution. [△] The 30-Day SEC Yield is based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. [∞] The 30-Day SEC Yield is based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The 30-Day SEC Yield has been adjusted for REIT investment return of capital.

The performance quoted represents past performance, does not guarantee future results and current performance may be lower or higher than the data quoted. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month end may be obtained at www.forwardfunds.com. Investment performance reflects fee waivers in effect. In the absence of fee waivers, total return would be lower. Total return is based on NAV, assuming reinvestment of all distributions. Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

This material must be preceded or accompanied by a prospectus. Please read it carefully before investing or sending money.

Investing in foreign securities, especially emerging markets, will involve additional risks, including social and political instability, liquidity, greater volatility and less regulation. REIT funds will be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographic sector. Risks also include declines in the value of real estate, general and economic conditions. High-yield bonds involve a greater risk of default and price volatility than U.S. Government and other high-quality bonds. High-yield/high-risk bonds can experience sudden and sharp price swings which will affect net asset value.

The Global Infrastructure Fund concentrates its investments in infrastructure-related entities and therefore has greater exposure to the potential adverse economic, regulatory, political and other changes affecting such entities. The Fund may invest in a larger percentage of its assets in the securities of a smaller number of issuers, since it is a "non-diversified" mutual fund.

The International Real Estate Fund, Long/Short Credit Analysis Fund, Select Income Fund and Strategic Realty Fund will invest in lower-rated debt securities and may utilize derivatives for hedging purposes. The Funds' use of short selling involves additional risks and transaction costs, and creates leverage, which can increase the volatility of the Funds. The Funds may invest in a larger percentage of their assets in the securities of a smaller number of issuers, since they are "non-diversified" mutual funds. The Long/Short Credit Analysis Fund's prospectus allows for investing in non-investment grade securities.

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

(1) The S&P Global Infrastructure Index is designed to provide liquid exposure to the leading publicly listed companies in the global infrastructure industry, from both developed markets and emerging markets. (2) The FTSE EPRA/NAREIT Developed ex-U.S. Index is designed to track the performance of listed real estate companies and REITs worldwide, excluding U.S. companies. The index acts as a performance measure of the overall market. (3) The FTSE NAREIT Equity REITs Index is representative of the tax-qualified REITs listed on the New York Stock Exchange, the American Stock Exchange and the NASDAQ National Market System. (4) The BofA Merrill Lynch Preferred Index is an unmanaged index that includes perpetual payment preferred issues. (5) The FTSE NAREIT Composite Index is an unmanaged index of Real Estate Investment Trust stocks. (6) The Citigroup World Broad Investment-Grade (BIG) Bond ex-U.S. Index is a market capitalization weighted index that tracks the performance of international fixed rate bonds that have remaining maturities of one year or longer and that are rated BBB-/Baa3, or better, by S&P or Moody's, respectively. This index excludes the U.S. and is unhedged USD. (7) The BofA Merrill Lynch European Currency High Yield Index tracks the performance of below investment grade sterling, euro and euro legacy currency denominated bonds of corporate issuers domiciled in countries having an investment grade foreign currency long-term debt rating based on a composite of Moody's and S&P. This index is unhedged USD. The JPMorgan Government Bond Index-Emerging Markets Global Diversified (GBI-EM Global Diversified) is a comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate, domestic currency government bonds and includes only the countries that give access to their capital market to foreign investors (excludes China, India, and Thailand). The index is market capitalization weighted, with a cap of 10% to any one country. This index is unhedged USD. (8) The Barclays Capital U.S. Municipal Bond Index covers the USD-denominated long-term, tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. (9) The Barclays Capital U.S. Corporate High-Yield Bond Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index figures do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an index.

Not FDIC Insured | No Bank Guarantee | May Lose Value

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