



July 2010

Forward International Fixed Income Fund

Sub-Advised by Pictet Asset Management SA

Performance as of June 30, 2010	2Q10	YTD	1 Year	Since Inception*	Gross/Net [†] Expenses
Forward International Fixed Income—Institutional	-5.15%	-4.83%	4.46%	3.82%	1.12%/0.99%
Citigroup World BIG Bond ex-U.S. Index Unhedged USD	-2.98%	-5.31%	0.07%	4.59%	
International Fixed Income Blended Index (60% Citigroup World BIG Bond ex-U.S. Index Unhedged USD / 20% Merrill Lynch European Currency High Yield Index Unhedged USD / 20% JPMorgan GBI-EM Global Diversified Composite Unhedged USD)	-4.37%	-4.06%	7.14%	5.33%	

*10/05/07

[†]The Fund's investment advisor has contractually agreed to waive a portion of its fees and reimburse other expenses until April 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 the Institutional Class shares to an annual rate (as a percentage of the Fund's average daily net assets) of 0.99%.

The performance quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance quoted. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance current to the most recent month-end may be obtained at www.forwardfunds.com or by calling (800) 999-6809. The returns assume reinvestment of dividends and distributions, if any.

MARKET REVIEW

Confounding market expectations, economic data released in the U.S. turned out to be quite disappointing, whereas statistics for Europe were fairly good. In North America, business and consumer confidence has turned noticeably for the worse while the jobs and housing markets are both still struggling to perk up. Moreover, the leading economic indicator for the U.S. declined, falling by 0.2%. Even though economic numbers were poor and core inflation is pitched low, yields on U.S. Treasury bonds edged upwards as a knock-on effect from the rallies on equity and corporate bond markets.

The Purchasing Managers' Index for the eurozone rose to 56.7% in July, whereas the consensus had been looking for it to fall. Consumer confidence has also continued improving. Moreover, worries about the well-being of financial institutions and public-sector debt have also receded. Expiry of the tender for the 12-month, long-term refinancing operation (LTRO) for EUR 442B and the outcome of stress testing of EU (European Union) banks, which delivered no major surprises in confirming that only seven of the 91 banks tested had failed, helped to boost confidence quite noticeably. News that Greece's deficit had been significantly lowered, that Ireland had emerged from the recessionary doldrums and that bonds issued by both these countries as well as Spain had been placed smoothly also helped to ease feelings of distrust in the markets. Developments enabled risk premiums in spreads between eurozone sovereign debt to come down and gave the euro a fillip while yields on German bunds edged back up again slightly.

Skepticism about the sustainability of growth in China's and Japan's economies also reduced. The People's Bank of China, while being guarded about economic prospects, stated that it was still "cautiously optimistic," thereby ruling out any major sea-change in policy over the months ahead and indicating that inflationary pressures had eased. It is still expecting the pace of economic growth to slacken, then stabilize, but regards the likelihood of a relapse in the economy as slender. China's gross domestic product (GDP) advanced at a rate of 10.3% in the second quarter of 2010, compared to 11.9% in the first quarter of the year. Government measures geared towards cooling the overheating in some parts of the economy, most notably the housing sector, have been broadly responsible for much of the growth slowdown.



The turn of events on the macroeconomic front and companies' half-year results being overall in line with or beating expectations proved very good for the corporate bond and emerging-market debt segments as risk premiums came down, moving close to their lows seen earlier this spring.

In late July, the Basle Committee on Banking Supervision softened requirements in terms of its planned tightening-up of financial regulation. Banks' shares made progress on the back of this, as their profitability should be less dented and capital required to boost their equity should be lower.

PERFORMANCE ANALYSIS

At the end of the month, the Fund asset allocation was the following: 43% in Global Government debt, 27.3% in Emerging Local debt and 25.7% in European High Yield. During the month, the three components of the Fund have generated strong positive returns driven mainly by the fall of risk aversion and the reversal of the euro currency. The high-yield bond segment delivered a solid performance, managing to uncouple itself from volatility stemming from equity and sovereign debt markets. The corporate reporting season began well, with good numbers from *FIAT* and paper/pulp group *Stora*. Proposed IPOs for semiconductor maker *NXP* and the services group *ISS* were greeted warmly as it will enable them to lower their borrowings. *International Power* bonds benefited strongly from a resumption in talks about a takeover by GDF Suez. Business was very lively on the primary market, with the bulk of issues being used to refinance already existing debt. The biggest launches were *Continental's* for 5 years, *Crown Cork's* for 8, *Phoenix* for 4, and *Inaer Aviation* and *Europcar's* 7-year bonds. These issues met with brisk demand from investors and performed well on the secondary market.

Local-currency emerging-debt markets generated positive returns in July, outperforming USD-denominated emerging-debt markets. The weakest performer was Thailand, the strongest were Poland and Hungary. The latter two had been the poorest performers over the second quarter as Eastern European countries have so far been more affected by ongoing problems in the EU region. Given the continuing uncertainty in global risk and the threat of sustained negative impact on global growth, most central banks in emerging nations are likely to retain a bias towards keeping rates low for longer. On a regional basis, we would expect to see rates rising first in Asia, followed by Latin America, then Europe, the Middle East and Africa.

MARKET OUTLOOK

The global economy looks set to slow down in the slipstream of the slowing Chinese and U.S. economies on account of the austerity packages being pushed through in a number of countries. This slowdown in economies, coupled with moderate inflation, suggests that the world's central banks, whose key interest rates are already close to the zero mark, are likely to stick with their highly accommodating monetary stance not just for the second half of 2010, but also well into 2011. The move to exit strategies from quantitative easing will be postponed.

Recent economic data published in Europe suggest that economies will perhaps avoid slipping back into recession. The state of affairs in Europe remains under a cloud though, with the situation looking quite different from one EU country to another. Moreover, austerity measures have not yet had any impact. At present, the consensus forecast is still for gross domestic product (GDP) growth of 1.1% for this year and 1.4% in 2011. With economic growth fairly anemic and inflation set to stay below its official targets, the European Central Bank (ECB) looks unlikely to modify its monetary stance all that soon. Against this background, yields on German Bunds, which benefited handsomely from investors' recent flight to quality and safe havens, may well begin to inch back up again and credit spreads on sovereign debt could ease, but much will depend on what happens to public-sector finances in the eurozone.

Considering the creditworthiness of issues, credit spreads remain attractive, with corporate bonds offering investors a current yield that surpasses that available from sovereign bonds. Although banks' bonds are attractively valued, they might continue to be handicapped by high volatility, fueled by financing needs and uncertainties over revised capital-adequacy requirements. In a climate of moderate, non-inflationary growth, corporates should perform reasonably well in relative terms although it is worth bearing in mind that, if the economy does topple over into a double-dip recession, they would be hit hard. As a reminder, current or future portfolio holdings are subject to risk.



The Citigroup World BIG (Broad Investment-Grade) 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.

As stated in the prospectus, the International Fixed Income Blended Index is a hypothetical index created by Forward Management, which consists of 60% Citigroup World BIG Bond ex-U.S. Index Unhedged USD; 20% BofA Merrill Lynch European Currency High Yield Index Unhedged USD; and 20% JP Morgan GBI-EM Global Diversified Composite Index Unhedged USD. 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. JPMorgan GBI-EM (Government Bond Index-Emerging Markets) Global Diversified Composite Index Unhedged USD 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.

The index figures do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an index.

Long-term refinancing operation (LTRO) refers to the ECB (European Central Bank)'s refinancing operation to provide liquidity to banks.

Purchasing Managers Index (PMI) is a composite index of five sub-indicators (production level, new orders from customers, supplier deliveries, inventories and employment level) which are extracted through surveys to more than 400 purchasing managers from around the country, chosen for their geographic and industry diversification benefits. PMI is an important sentiment reading, not only for manufacturing, but also for the economy as a whole. For this reason, the PMI is closely watched, setting the tone for the upcoming month and other indicator releases.

The euro (sign: €; code: EUR) is the official currency of the European Union (EU).

Sovereign debt is the total amount owed to the holders of the sovereign bonds (bonds issued by a national government).

A bund is a German federal government bond issued with maturities of up to 30 years.

Gross domestic product (GDP) is the total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports. The GDP of a country is one of the ways of measuring the size of its economy.

The Basel Committee on Bank Supervision creates broad finance and banking standards and guidelines and recommends banking supervision best practices with the belief that member authorities' and other nations' authorities will take steps to implement them through their own national systems.

Quantitative easing refers to a form of monetary policy used to stimulate an economy where interest rates are either at, or close to, zero.

The European Central Bank (ECB) is one of the world's most important central banks, responsible for monetary policy covering the fifteen member countries of the euro zone.

A sovereign bond is a bond issued by a national government. The term usually refers to bonds issued in foreign currencies.

Investing in foreign securities, especially emerging markets, will involve certain additional risks, including exchange rate fluctuation, less liquidity, greater volatility, and less regulation. Debt securities in which the Fund may invest are subject to several types of investment risk, including market or interest rate risk (i.e., the risk that their value will be affected by fluctuations in the prevailing interest rates), credit risk (i.e., the risk that the issuer may be unable to make timely interest payments and repay the principal upon maturity), call or income risk, (i.e., the risk that certain debt securities with high interest rates will be prepaid or "called" by the issuer before they mature), and event risk (i.e., the risk that certain debt securities may suffer a substantial decline in credit quality and market value if the issuer restructures).

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

The Forward International Fixed Income Fund seeks to achieve high total return (capital appreciation and income). There is no guarantee the Fund will achieve its objective.

Forward Funds are distributed by ALPS Distributors, Inc.

Not FDIC Insured | No Bank Guarantee | May Lose Value

FWD002721 083111

As of July 31, 2010, the Fund held the following positions in the portfolio (These holdings may not reflect the current or future positions in the portfolio. Current or future portfolio holdings are subject to risk. Portfolio holdings are subject to change.):

Forward International Fixed Income Fund

As of 07/31/2010

Security ID	Ticker	Security Name	Principal Amount	Market Price	Market Value	% of Total Net Assets	Currency Code
7394665	7394665	Bundesrepublik Deutschland, Bonds, Series 02, 5.000%, 07/04/12	770,000	\$ 140.71	\$ 1,083,431	4.38%	EUR
B0J2F90	B0J2F90	Japan Government, Bonds, Series 80, 2.100%, 06/20/25	56,800,000	1.25	709,660	2.87%	JPY
B4X2LK7	B4X2LK7	Japan Government, Bonds, Series 300, 1.500%, 09/20/09	53,700,000	1.22	654,701	2.65%	JPY
6510161	6510161	Japan Government, Bonds, Series 236, 1.500%, 12/20/11	50,600,000	1.18	596,674	2.41%	JPY
6739331	6739331	Japan Government, Bonds, Series 257, 1.300%, 12/20/13	47,000,000	1.20	564,056	2.28%	JPY
6744766	6744766	Japan Government, Bonds, Series 258, 1.300%, 03/20/14	40,500,000	1.20	486,785	1.97%	JPY
B1HNZP8	B1HNZP8	Bundesrepublik Deutschland, Bonds, Series 06, 3.750%, 01/04/17	304,000	143.07	434,936	1.76%	EUR
B0SYL99	B0SYL99	Japan Government, Bonds, Series 274, 1.500%, 12/20/15	34,000,000	1.22	416,445	1.68%	JPY
B1RPMZ3	B1RPMZ3	Malaysian Government, Bonds, Series 0207, 3.814%, 02/15/17	1,200,000	31.69	380,332	1.54%	MYR
B0THSG3	B0THSG3	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/12	670,000	55.74	373,451	1.51%	BRL
B29NPL9	B29NPL9	Poland Government, Bonds, Series 0413, 5.250%, 04/25/13	1,040,000	32.91	342,289	1.38%	PLN
B01DP02	B01DP02	Bundesrepublik Deutschland, Bonds, Series 04, 4.250%, 07/04/14	225,000	144.55	325,234	1.32%	EUR
6148788	6148788	Republic of South Africa, Bonds, Series R186, 10.500%, 12/21/26	1,940,000	16.18	313,884	1.27%	ZAR
7605163	7605163	French Government O.A.T., Bonds, 4.250%, 04/25/19	200,000	145.47	290,940	1.18%	EUR
B4X3KD6	B4X3KD6	RSHB Capital SA for OJSC Russian Agricultural Bank, Secured Notes, 7.500%, 03/25/13	8,500,000	3.31	281,532	1.14%	RUB
B3FKPQ6	B3FKPQ6	Bundesrepublik Deutschland, Bonds, Series 09, 3.750%, 01/04/19	190,000	142.51	270,776	1.09%	EUR
3182950	3182950	United Kingdom, Treasury Bonds, 5.000%, 09/07/14	153,000	176.32	269,763	1.09%	GBP
B06YGN0	B06YGN0	United Kingdom, Treasury Bonds, 4.250%, 12/07/55	170,000	156.85	266,648	1.08%	GBP
B033049	B033049	Hungary Government, Bonds, Series 15/A, 8.000%, 02/12/15	54,200,000	0.47	256,767	1.04%	HUF
INDOFR45		Indonesia Government, Bonds, Series FR45, 11.306%, 05/15/37	235,294	103.58	243,724	0.99%	USD
B3MZTP1	B3MZTP1	Turkey Government, Bonds, Zero Coupon%, 11/16/11	400,000	59.96	239,851	0.97%	TRL
B014ZQ1	B014ZQ1	Mexican Bonos, Bonds, Series M10, 8.000%, 12/19/13	2,800,000	8.51	238,304	0.96%	MXN
INDOFR26		Indonesia Government, Bonds, Series FR26, 11.000%, 10/15/14	199,000	116.50	231,827	0.94%	USD
4368685	4368685	Bundesrepublik Deutschland, Bonds, Series 86, 6.000%, 06/20/16	140,000	158.61	222,053	0.90%	EUR
7334898	7334898	Bonos Y Oblig Del Estado, Bonds, 5.500%, 07/30/17	150,000	145.53	218,294	0.88%	EUR
B1G0JZ8	B1G0JZ8	Poland Government, Bonds, Series 1017, 5.250%, 10/25/17	680,000	31.97	217,365	0.88%	PLN
B3F2K01	B3F2K01	United Kingdom, Treasury Bonds, 3.250%, 12/07/11	131,000	162.34	212,662	0.86%	GBP
B0X4BZ0	B0X4BZ0	Japan Government, Bonds, Series 21, 2.300%, 12/20/35	16,800,000	1.27	212,590	0.86%	JPY
B43YVZ8	B43YVZ8	Unitymedia GmbH, Sr. Secured Notes, 9.625%, 12/01/19	150,000	139.11	208,667	0.84%	EUR
B13T000	B13T000	Thailand Government, Bonds, 06-5, 5.850%, 03/31/21	5,500,000	3.76	206,691	0.84%	THB
B1P8H15	B1P8H15	Bundesrepublik Deutschland, Bonds, Series 07, 4.250%, 07/04/39	136,000	151.83	206,487	0.84%	EUR
5832242	5832242	HBOS Euro Finance LP, Bank Gtd., 7.627%, Perpetual Maturity	190,000	108.16	205,507	0.83%	EUR
5286601	5286601	Bundesrepublik Deutschland, Bonds, Series 97, 6.500%, 07/04/27	110,000	185.58	204,136	0.83%	EUR
B00H215	B00H215	Buoni Poliennali Del Tesoro, Bonds, 4.500%, 02/01/20	140,000	137.32	192,244	0.78%	EUR
B068Z13	B068Z13	Republic of Colombia, Unsub. Bonds, 12.000%, 10/22/15	270,000,000	0.07	190,305	0.77%	COP
B467N69	B467N69	Cirsa Funding Luxembourg SA, Gtd. Notes, 8.750%, 05/15/2018	150,000	124.78	187,165	0.76%	EUR
4390741	4390741	Bundesrepublik Deutschland, Bonds, 94, 6.250%, 01/04/24	100,000	177.27	177,269	0.72%	EUR
5293634	5293634	Republic of Austria, Bonds, Series 97 6, 6.250%, 07/15/27	98,000	175.06	171,559	0.69%	EUR

Forward International Fixed Income Fund
As of 07/31/2010

Security ID	Ticker	Security Name	Principal Amount	Market Price	Market Value	% of Total Net Assets	Currency Code
B1RP7K3	B1RP7K3	Thailand Government, Bonds , 5.250%, 05/12/14	5,000,000	3.36	167,979	0.68%	THB
6788656	6788656	Republic of South Africa, Bonds, Series R157, 13.500%, 09/15/15	980,000	17.10	167,584	0.68%	ZAR
B0744S0	B0744S0	UBS AG Jersey Branch, Sr. Sub. Notes , 4.280%, Perpetual Maturity	150,000	110.12	165,175	0.67%	EUR
B0Y7SL3	B0Y7SL3	Mexican Bonos, Bonds, Series M10, 8.000%, 12/17/15	1,900,000	8.61	163,636	0.66%	MXN
B53XM59	B53XM59	Infinis Plc, Sr. Notes, 9.125%, 12/15/14	100,000	163.19	163,191	0.66%	GBP
7724530	7724530	Groupe BPCE, Sub. Bonds , 5.250%, Perpetual Maturity	150,000	102.95	154,424	0.62%	EUR
B1VRLR0	B1VRLR0	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/17	290,000	52.04	150,916	0.61%	BRL
B3V54D5	B3V54D5	PE Paper Escrow GMBH, Sr. Secured Notes, 11.750%, 08/01/14	100,000	146.93	146,930	0.59%	EUR
B42RB03	B42RB03	Turkey Government, Bonds , 11.000%, 08/06/14	200,000	71.66	143,312	0.58%	TRL
B3BTY59	B3BTY59	French Government Treasury Notes , 4.500%, 07/12/13	100,000	142.64	142,639	0.58%	EUR
7309595	7309595	Netherlands Government, Bonds , 5.000%, 07/15/12	100,000	140.62	140,617	0.57%	EUR
7624641	7624641	Bundesrepublik Deutschland, Bonds, Series 03, 3.750%, 07/04/13	100,000	140.50	140,498	0.57%	EUR
B1CD2C9	B1CD2C9	FMG Finance Pty Ltd., Sr. Secured Notes, 9.750%, 09/01/13	100,000	139.44	139,437	0.56%	EUR
B2R8S95	B2R8S95	Buoni Poliennali Del Tesoro, Bonds , 4.500%, 08/01/18	100,000	138.85	138,846	0.56%	EUR
B3KXW36	B3KXW36	Republic of Austria, Notes , 3.400%, 10/20/14	100,000	138.44	138,435	0.56%	EUR
7595684	7595684	Buoni Poliennali Del Tesoro, Bonds , 4.250%, 08/01/13	100,000	138.34	138,337	0.56%	EUR
7281466	7281466	Bundesrepublik Deutschland, Bonds, Series 02, 5.000%, 01/04/12	100,000	138.30	138,296	0.56%	EUR
B64FV10	B64FV10	Denmark (Kingdom of), Sr. Unsec. Bonds , 3.125%, 03/17/14	100,000	137.38	137,381	0.56%	EUR
B5BQ1L9	B5BQ1L9	LBI Escrow Corp., Sr. Secured Notes, 8.000%, 11/01/2017	100,000	135.85	135,852	0.55%	EUR
B630CK2	B630CK2	Ardagh Glass Finance Plc, Sr. Notes, 8.750%, 02/01/20	100,000	135.53	135,528	0.55%	EUR
65409QAF9	B2491X6	Nielsen Finance Llc/Nielsen Finance Co., Gtd. Notes , 9.000%, 08/01/14	100,000	134.88	134,876	0.55%	EUR
B4252Q0	B4252Q0	Caixa d'Estalvis de Catalunya, Gov't Gtd. Notes , 3.000%, 05/07/12	100,000	131.21	131,214	0.53%	EUR
B4LJ531	B4LJ531	Caja de Ahorros de Valencia Castellon y Alicante, Gov't Gtd. Notes , 3.000%, 05/11/12	100,000	131.16	131,160	0.53%	EUR
B3WXGT8	B3WXGT8	Thailand Government, Bonds , 4.125%, 11/18/16	4,000,000	3.26	130,327	0.53%	THB
B1Z6JW4	B1Z6JW4	Beverage Packaging Holdings II SA, Sr. Sub. Notes, 9.500%, Perpetual Maturity	100,000	129.34	129,338	0.52%	EUR
B09Y701	B09Y701	ING Groep NV, Sub. Euro Medium-Term Notes , 4.176%, Perpetual Maturity	130,000	99.04	128,751	0.52%	EUR
B1YXLB9	B1YXLB9	Republic of Colombia, Unsub. Bonds , 9.850%, 06/28/27	175,000,000	0.07	126,761	0.51%	COP
B2RHKV8	B2RHKV8	KBC Bank NV, Sub. Notes , 8.000%, Perpetual Maturity	100,000	123.80	123,799	0.50%	EUR
B3N3WD3	B3N3WD3	Obrascon Huarte Lain SA, Sr. Unsec. Notes , 7.375%, 04/28/2015	100,000	123.32	123,324	0.50%	EUR
B2PJ2X2	B2PJ2X2	ING Verzekeringen NV, Sub. Bonds , 6.250%, 06/21/21	100,000	122.17	122,171	0.49%	EUR
INDOFR47		Indonesia Government, Bonds, Series FR47 , 10.000%, 02/17/28	110,955	108.05	119,889	0.48%	USD
B1GGNN2	B1GGNN2	Carlson Wagonlit BV, Sr. Secured Notes, 6.413%, 05/01/2015	100,000	118.91	118,913	0.48%	EUR
B05QN14	B05QN14	Mexican Bonos, Gtd. Bonds, Series M20, 10.000%, 12/05/24	1,130,000	10.19	115,136	0.47%	MXN
B3DD9P4	B3DD9P4	Bundesobligation, Bonds, Series 153, 4.000%, 10/11/13	80,000	142.23	113,783	0.46%	EUR
B4LS301	B4LS301	Raiffeisen Zentralbank Oesterreich AG, Gov't Gtd. Notes , 2.500%, 05/04/11	85,000	131.56	111,822	0.45%	EUR
B08HF85	B08HF85	French Government O.A.T., Bonds , 3.750%, 04/25/21	80,000	138.59	110,874	0.45%	EUR
B2RMDP8	B2RMDP8	American International Group, Inc., Jr. Sub. Notes, 8.000%, 05/22/38	100,000	109.46	109,465	0.44%	EUR
B1KCZ07	B1KCZ07	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/14	200,000	53.77	107,534	0.43%	BRL

Forward International Fixed Income Fund

As of 07/31/2010

Security ID	Ticker	Security Name	Principal Amount	Market Price	Market Value	% of Total Net Assets	Currency Code
B00MQD0	B00MQD0	Hungary Government, Bonds, Series 20/A, 7.500%, 11/12/20	23,000,000	0.47	107,161	0.43%	HUF
B064GG3	B064GG3	French Government O.A.T., Bonds , 3.500%, 04/25/15	75,000	139.82	104,867	0.42%	EUR
B0XZ3F7	B0XZ3F7	Ineos Group Holdings Plc, Gtd. Notes, 7.875%, 02/15/16	100,000	103.93	103,926	0.42%	EUR
B65P9W6	B65P9W6	Belgium Government, Bonds, Series 56, 3.500%, 03/28/15	75,000	137.75	103,309	0.42%	EUR
B3LGN2	B3LGN2	Wind Acquisition Finance SA, Sr. Notes, 11.750%, 07/15/17	75,000	136.83	102,623	0.41%	EUR
B1912G0	B1912G0	Netherlands Government, Bonds , 4.000%, 07/15/16	70,000	143.78	100,645	0.41%	EUR
B0NCQB5	B0NCQB5	Old Mutual Plc, Jr. Sub. Euro Medium-Term Notes , 5.000%, Perpetual Maturity	100,000	98.39	98,388	0.40%	EUR
7765454	7765454	Buoni Poliennali Del Tesoro, Bonds , 4.250%, 08/01/14	70,000	139.09	97,360	0.39%	EUR
B1YX1Y2	B1YX1Y2	Banco Popolare SC, Jr. Sub. Bonds , 6.756%, 06/21/2049	100,000	97.08	97,085	0.39%	EUR
B0ZXTD9	B0ZXTD9	ABN Amro Bank NV, Sub. Notes , 4.310%, Perpetual Maturity	100,000	95.13	95,129	0.38%	EUR
B0BP672	B0BP672	Foodcorp, Ltd., Gtd. Notes, 8.875%, 06/15/12	70,000	132.92	93,045	0.38%	EUR
B235W43	B235W43	SNS Reaal Groep NV, Jr. Sub. Euro Medium-Term Notes , 6.258%, Perpetual Maturity	100,000	92.04	92,035	0.37%	EUR
B1VXGB7	B1VXGB7	ELM BV for Swiss Life Insurance & Pension Group, Gtd. Euro Medium-Term Notes , 5.849%, Perpetual Maturity	100,000	90.57	90,569	0.37%	EUR
5933305	5933305	Buoni Poliennali Del Tesoro, Bonds , 6.000%, 05/01/31	60,000	150.51	90,309	0.37%	EUR
B1VHNB8	B1VHNB8	Turkey Government, Bonds , 16.000%, 03/07/12	120,000	73.91	88,694	0.36%	TRL
B1GCCF5	B1GCCF5	Mexican Bonos, Bonds, Series M30, 10.000%, 11/20/36	800,000	10.41	83,314	0.34%	MXN
135087YB4	135087YB	Canadian Government, Bonds , 4.000%, 06/01/16	78,000	105.06	81,951	0.33%	CAD
B5PH9J2	B5PH9J2	Virgin Media Secured Finance Plc, 7.000%, 01/15/18	50,000	163.39	81,694	0.33%	GBP
7624607	7624607	IKB Deutsche Industriebank AG, Sub. Notes , 4.500%, 07/09/13	70,000	112.07	78,450	0.32%	EUR
B1V07B5	B1V07B5	American International Group, Inc., Jr. Sub. Notes, Series A3, 4.875%, 03/15/67	100,000	78.19	78,189	0.32%	EUR
B29QN69	B29QN69	Hungary Government, Bonds, Series 12/C, 6.000%, 10/24/12	17,000,000	0.45	76,833	0.31%	HUF
B42PX34	B42PX34	International Power Finance 2010 Plc, Gtd. Notes, 7.250%, 05/11/2017	50,000	145.63	72,814	0.29%	EUR
B03YY84	B03YY84	Republic of South Africa, Bonds, Series R204, 8.000%, 12/21/18	520,000	13.58	70,627	0.29%	ZAR
B6031S5	B6031S5	InterXion Holding NV, Sec. Notes, 9.500%, 02/12/17	50,000	140.74	70,370	0.28%	EUR
B058DQ5	B058DQ5	United Kingdom, Treasury Bonds , 4.750%, 03/07/20	40,000	175.17	70,070	0.28%	GBP
B544723	B544723	Rexel SA, Sr. Notes , 8.250%, 12/15/16	50,000	138.79	69,393	0.28%	EUR
B5MY4N5	B5MY4N5	TVN Finance Corp., Plc, 10.750%, 11/15/17	50,000	138.79	69,393	0.28%	GBP
B42FSC8	B42FSC8	Fiat Finance & Trade Ltd., SA, Gtd. Notes , 7.625%, 09/15/14	50,000	138.64	69,321	0.28%	EUR
B1P89J7	B1P89J7	Thailand Government, Bonds , 5.000%, 05/26/17	2,000,000	3.42	68,447	0.28%	THB
B57J1B2	B57J1B2	Campofrio Food SA, Sr. Notes, 8.250%, 10/31/16	50,000	135.69	67,845	0.27%	EUR
B5876K9	B5876K9	Smurfit Kappa Acquisitions, Sr. Secured Notes, 7.750%, 11/15/19	50,000	135.53	67,764	0.27%	EUR
B039PM0	B039PM0	Poland Government, Bonds, Series 1015, 6.250%, 10/24/15	200,000	33.75	67,502	0.27%	PLN
B4QN6V3	B4QN6V3	CEDC Finance Corp. International, Inc., Sr. Secured Notes, 8.875%, 12/01/16	50,000	134.88	67,438	0.27%	EUR
B14PKN0	B14PKN0	Peru Bono Soberano, Bonds , 8.200%, 08/12/26	160,000	42.13	67,412	0.27%	PEN
B3S36Z8	B3S36Z8	Ineos Finance Plc, 9.250%, 05/15/2015	50,000	133.90	66,949	0.27%	EUR
B141964	B141964	ISS Holding AS, Secured Notes, 8.875%, 05/15/16	50,000	133.57	66,787	0.27%	EUR
B3YW303	B3YW303	Ziggo Bond Co., Sr. Notes, 8.000%, 05/15/2018	50,000	132.92	66,461	0.27%	EUR
B06C0C1	B06C0C1	Ardagh Glass Group Plc, Sr. Unsec. PIK Bonds , 10.750%, 03/01/15	50,017	132.60	66,320	0.27%	EUR

Forward International Fixed Income Fund

As of 07/31/2010

Security ID	Ticker	Security Name	Principal Amount	Market Price	Market Value	% of Total Net Assets	Currency Code
B4XYR38	B4XYR38	Agrokor D.D., Sr. Unsec. Euro Medium-Term Notes, 10.000%, 12/07/16	50,000	132.27	66,135	0.27%	EUR
B1MY7N8	B1MY7N8	Hertz Corp., Gtd. Notes , 7.875%, 01/01/14	50,000	131.94	65,972	0.27%	EUR
B4TBZ51	B4TBZ51	Poland Government, Bonds, Series 0415, 5.500%, 04/25/2015	200,000	32.73	65,457	0.26%	PLN
B3QQXS1	B3QQXS1	Rhodia SA, Sr. Notes , 7.000%, 05/15/2018	50,000	130.82	65,410	0.26%	EUR
B4LYXV0	B4LYXV0	Central European Media Enterprises, Ltd., Sr. Notes, 11.625%, 09/15/16	50,000	130.32	65,158	0.26%	EUR
B11ZPD8	B11ZPD8	Malaysian Government, Bonds, Series 0106, 4.262%, 09/15/16	200,000	32.55	65,101	0.26%	MYR
B1VSVJ3	B1VSVJ3	Consol Glass, Ltd., Gtd. Notes, 7.625%, 04/15/14	50,000	129.34	64,669	0.26%	EUR
B14Z8H0	B14Z8H0	Lottomatica SpA, Sub. Bonds, 8.250%, 03/31/66	50,000	129.01	64,506	0.26%	EUR
B1VK4C5	B1VK4C5	TRW Automotive, Inc., Gtd. Notes, 6.375%, 03/15/14	50,000	129.01	64,506	0.26%	EUR
B5NR1P4	B5NR1P4	GMAC International Finance BV, Gtd. Notes , 7.500%, 04/21/2015	50,000	128.69	64,343	0.26%	EUR
B1YX3R9	B1YX3R9	Travelport Llc, Gtd. Notes , 10.875%, 09/01/16	50,000	128.36	64,180	0.26%	EUR
B3N79H8	B3N79H8	Stena AB, Sr. Notes, 7.875%, 03/15/20	50,000	128.03	64,017	0.26%	EUR
B0BSD47	B0BSD47	Codere Finance Luxembourg SA, Sr. Secured Notes, 8.250%, 06/15/15	50,000	126.08	63,040	0.25%	EUR
B1Z6J35	B1Z6J35	Beverage Packaging Holdings II SA, Sr. Notes, 8.000%, 12/15/16	50,000	126.08	63,040	0.25%	EUR
B0SV974	B0SV974	TUI AG, Sr. Unsec. Notes, 5.125%, 12/10/12	50,000	125.75	62,877	0.25%	EUR
B4XXNN7	B4XXNN7	Magyar Telecom BV, Secured Notes, 9.500%, 12/15/16	50,000	124.48	62,239	0.25%	EUR
B3MGJT8	B3MGJT8	Seat Pagine Gialle SpA, Sr. Secured Notes, 10.500%, 01/31/17	50,000	124.45	62,226	0.25%	EUR
B613PS2	B613PS2	French Government O.A.T., Bonds , 4.500%, 04/25/41	40,000	150.61	60,243	0.24%	EUR
B3M1MR2	B3M1MR2	Turkey Government, Bonds , Zero Coupon%, 01/25/12	100,000	59.00	59,001	0.24%	TRY
B1KMW43	B1KMW43	CEVA Group Plc, Gtd. Notes, 8.500%, 12/01/14	50,000	117.94	58,968	0.24%	EUR
6711953	6711953	Republic of South Africa, Bonds, Series R201, 8.750%, 12/21/14	400,000	14.34	57,343	0.23%	ZAR
B1KMX36	B1KMX36	CEVA Group Plc, Gtd. Notes, 10.000%, 12/01/16	50,000	111.42	55,710	0.23%	EUR
B1SNL71	B1SNL71	Cemex Finance Europe BV, Gtd. Notes , 4.750%, 03/05/14	50,000	111.34	55,669	0.23%	EUR
B1VWPC8	B1VWPC8	United Kingdom, Treasury Bonds , 5.000%, 03/07/18	30,000	178.98	53,694	0.22%	GBP
B0DJPW0	B0DJPW0	Smurfit Kappa Funding Plc, Sr. Sub. Notes , 7.750%, 04/01/15	40,000	133.25	53,299	0.22%	EUR
B0Y8WM5	B0Y8WM5	Ono Finance II Plc, Gtd. Bonds, 8.000%, 05/16/14	50,000	106.21	53,103	0.21%	EUR
B0ND0V6	B0ND0V6	Credit Agricole SA, Sub. Notes , 4.130%, 11/09/2049	50,000	104.90	52,452	0.21%	EUR
B04H0V7	B04H0V7	Barclays Bank Plc, Jr. Sub. Notes , 4.875%, 12/15/2049	50,000	103.60	51,801	0.21%	EUR
B0KP6D9	B0KP6D9	Swedish Government, Bonds, Series 1050, 3.000%, 07/12/16	360,000	14.33	51,582	0.21%	SEK
B3P0MG5	B3P0MG5	Turkey Government, Bonds , 10.500%, 01/15/20	70,000	73.25	51,274	0.21%	TRL
B030R16	B030R16	Groupe BPCE, Sub. Bonds , 4.625%, Perpetual Maturity	50,000	96.43	48,217	0.19%	EUR
B1Z5556	B1Z5556	Deutsche Postbank Funding Trust IV, Sub. Notes , 5.983%, Perpetual Maturity	50,000	95.78	47,891	0.19%	EUR
7335341	7335341	Denmark (Kingdom of), Bonds , 5.000%, 11/15/13	228,000	19.50	44,454	0.18%	DKK
135087UT9	135087UT9	Canadian Government, Bonds, Series A55, 8.000%, 06/01/23	30,000	143.82	43,146	0.17%	CAD
B1HP8M2	B1HP8M2	Main Capital Funding II LP, Sub. Notes , 5.750%, 06/30/2049	50,000	85.89	42,945	0.17%	EUR
7795075	7795075	Clondalkin Industries BV, Gtd. Notes, 8.000%, 03/15/14	35,000	121.84	42,646	0.17%	EUR
B23HG03	B23HG03	Peru Bono Soberano, Bonds , 6.900%, 08/12/37	110,000	37.84	41,627	0.17%	PEN

Forward International Fixed Income Fund

As of 07/31/2010

Security ID	Ticker	Security Name	Principal Amount	Market Price	Market Value	% of Total Net Assets	Currency Code
B012985	B012985	Republic of South Africa, Bonds, Series R203, 8.250%, 09/15/17	300,000	13.85	41,556	0.17%	ZAR
B01FNX7	B01FNX7	Switzerland Government, Bonds , 3.000%, 05/12/19	38,000	108.84	41,359	0.17%	CHF
135087YG3	135087YG	Canadian Government, Bonds , 3.750%, 06/01/12	40,000	101.47	40,589	0.16%	CAD
B00PNM7	B00PNM7	Lighthouse International Co., SA, Sr. Secured Bonds, 8.000%, 04/30/14	50,000	80.80	40,398	0.16%	EUR
B612G64	B612G64	HeidelbergCement AG, Gtd. Notes , 7.500%, 04/03/20	30,000	128.03	38,410	0.16%	EUR
B1W6P30	B1W6P30	Indonesia Government, Bonds, Series FR44, 10.000%, 09/15/24	300,000,000	0.01	37,573	0.15%	IDR
B5W0TD8	B5W0TD8	Colombia Government, Sr. Unsec. Bonds , 7.750%, 04/14/2021	62,000,000	0.06	37,547	0.15%	COP
6261083	6261083	Australian Government, Bonds, Series 513, 6.500%, 05/15/13	38,000	95.03	36,111	0.15%	AUD
135087XW9	135087XW	Canadian Government, Bonds , 5.000%, 06/01/37	30,000	118.91	35,674	0.14%	CAD
B1YLGZ2	B1YLGZ2	Indonesia Government, Bonds, Series FR45, 9.750%, 05/15/37	300,000,000	0.01	34,494	0.14%	IDR
B54VQQ1	B54VQQ1	HeidelbergCement AG, Gtd. Notes , 8.000%, 01/31/17	25,000	133.31	33,328	0.13%	EUR
B54ZQ07	B54ZQ07	Malaysian Government, Bonds, Series 0902, 4.378%, 11/29/2019	100,000	32.57	32,571	0.13%	MYR
135087XS8	135087XS	Canadian Government, Bonds , 5.000%, 06/01/14	30,000	107.77	32,330	0.13%	CAD
B43XTL7	B43XTL7	Malaysian Government, Bonds, Series 0409, 3.741%, 02/27/15	100,000	31.82	31,820	0.13%	MYR
B407KF3	B407KF3	Turkey Government, Bonds , 04/25/2012	50,000	57.85	28,924	0.12%	TRY
7441947	7441947	Poland Government, Bonds, Series 0922, 5.750%, 09/23/22	90,000	32.09	28,884	0.12%	PLN
B06BX63	B06BX63	French Government O.A.T., Bonds , 4.000%, 04/25/55	20,000	141.37	28,273	0.11%	EUR
B6564W4	B6564W4	Turkey Government, Bonds, CPI, 4.500%, 02/11/15	38,499	68.54	26,386	0.11%	TRL
B0KDP47	B0KDP47	Spain Government, Bonds , 3.150%, 01/31/2016	20,000	130.41	26,083	0.11%	EUR
B3FNDZ0	B3FNDZ0	Denmark (Kingdom of), Bonds , 4.500%, 11/15/39	120,000	21.41	25,697	0.10%	DKK
7750933	7750933	Republic of Austria, Notes , 4.300%, 07/15/14	17,000	142.90	24,293	0.10%	EUR
5367829	5367829	Italy Buoni Poliennali Del Tesoro, Bonds , 6.500%, 11/01/2027	15,000	158.42	23,762	0.10%	EUR
B24GV04	B24GV04	Australian Government, Bonds, Series 124, 5.750%, 05/15/21	25,000	94.15	23,538	0.10%	AUD
B415B86	B415B86	Italy Buoni Poliennali Del Tesoro, Bonds , 5.000%, 09/01/2040	15,000	133.23	19,984	0.08%	EUR
B15S5M2	B15S5M2	Norway Government, Bonds , 4.250%, 05/19/17	110,000	17.95	19,748	0.08%	NOK
B2NPF11	B2NPF11	Republic of South Africa, Bonds, Series R155, 13.000%, 08/31/11	133,333	14.63	19,502	0.08%	ZAR
B2NP6X0	B2NP6X0	Republic of South Africa, Bonds, Series R154, 13.000%, 08/31/10	133,334	13.76	18,349	0.07%	ZAR
B62L3V4	B62L3V4	Brazil Notas do Tesouro Nacional, Notes, Series F, 10.000%, 01/01/21	35,000	50.35	17,623	0.07%	BRL
B54QYM8	B54QYM8	HeidelbergCement AG, Gtd. Notes , 8.500%, 10/31/19	10,000	135.86	13,586	0.05%	EUR
B0520N3	B0520N3	Polypore International, Inc., Gtd. Notes , 8.750%, 05/15/12	10,000	132.27	13,227	0.05%	EUR
B3DXQM0	B3DXQM0	Poland Government, Bonds, Series 1019, 5.500%, 10/25/2019	40,000	32.08	12,834	0.05%	PLN
B01GVV4	B01GVV4	Australian Government, Bonds, Series 217, 6.000%, 02/15/17	10,000	95.52	9,552	0.04%	AUD
4FN1QN6	4FN1QN6	KfW, Gtd. Euro Medium-Term Notes , 5.625%, 03/09/17	20,000	35.50	7,099	0.03%	EUR

Forward International Fixed Income Fund

As of 07/31/2010

Security ID	Ticker	Security Name	Number of Contracts	Expiration Date	Market Value	% of Total Net Assets	Currency Code
Futures - Long							
0000DUU0	DUU0	Euro-Shatz	4	Sep-10	(912)	0.00%	EUR
0000G U0	G U0	Long Gilt Future	2	Sep-10	8,097	0.03%	GBP
Futures - Short							
0000OEU0	OEU0	Euro-BOBL Future	(4)	Sep-10	(1,564)	-0.01%	EUR
0000RXU0	RXU0	Euro-Bund Future	(2)	Sep-10	(169)	0.00%	EUR
		Net Cash & Cash Equivalents			1,150,455	4.65%	