

Forward Tactical Growth Fund

As of December 31, 2011

FORWARDFUNDS

PERFORMANCE (%)

	4Q	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception	Gross/Net Expense (%)
Investor	-2.81	-5.36	-5.36	—	—	—	-0.26	1.81/1.81
Institutional	-2.71	-5.04	-5.04	—	—	—	0.07	1.46/1.46
Class M	-2.71	-5.00	-5.00	—	—	—	-1.08	1.46/1.46
Class A @ NAV*	-2.86	-5.49	-5.49	—	—	—	-3.08	1.96/1.96
Class A @ MOP**	-8.43	-10.93	-10.93	—	—	—	-6.21	1.96/1.96
Class C @ NAV†	-2.92	-5.90	-5.90	—	—	—	-0.84	2.41/2.41
Class C @ MOP‡	-3.89	-6.84	-6.84	—	—	—	-0.84	2.41/2.41
S&P 500 Index	11.82	2.11	2.11	—	—	—	—	—

Returns for periods greater than one year are annualized.

*Excludes sales charge.

**Reflects effects of the Fund's maximum sales charge of 5.75%.

†Excludes the effects of the 1% contingent deferred sales charge.

‡Includes the effects of the 1% contingent deferred sales charge.

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.

CALENDAR YEAR PERFORMANCE (% AT NAV)

	2010	2011
Investor	2.22	-5.36
Institutional	2.57	-5.04
Class M	—	-5.00
Class A	—	-8.21
Class C	1.60	-6.37
S&P 500 Index	15.06	2.11

NET EXPOSURE

Week Ending	Gross Market Exposure	Net Market Exposure
September 30	+17.89%	-0.01%
October 07	+18.07%	-0.04%
October 14	+25.49%	+25.49%
October 21	+25.31%	+25.31%
October 28	+69.36%	+69.36%
November 04	+44.87%	+44.87%
November 11	+44.83%	+44.83%
November 18	+44.49%	+44.49%
November 25	+9.90%	+9.90%
December 02	+50.61%	+50.61%
December 09	+51.09%	+51.09%
December 16	+31.32%	+31.32%
December 23	+31.02%	+31.02%
December 30	+30.18%	+30.18%

Gross exposure is the value of all of the portfolio's holdings (long and short positions), excluding the value of the portfolio's net cash and cash equivalent holdings. Net exposure is the value of the portfolio's long holdings, minus the value of the portfolio's short portions and excluding the value of the portfolio's net cash and cash equivalent holdings.

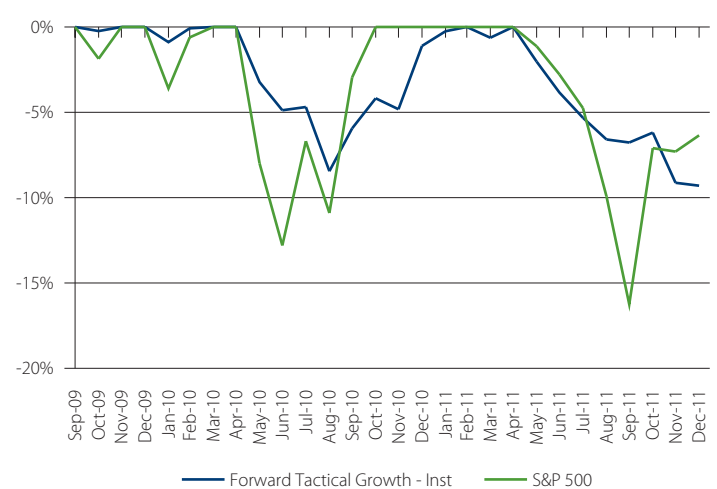
STATISTICS/CHARACTERISTICS

Beta	0.30
R-Squared	55.66
Net Assets	\$912.18M

Beta is a measure of risk which shows the Fund's volatility relative to its benchmark index.

R-Squared reflects the percentage of the Fund's movements that are explained by movement in its benchmark index.

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OBJECTIVE

The Fund's investment objective is to produce above-average, risk-adjusted returns, in any market environment, while exhibiting less downside volatility than the S&P 500 Index.

OVERVIEW

The Fund is designed to help investors side-step market downturns, while participating in its growth via the continuous and active management of portfolio market exposure. The Fund seeks to manage risk and enhance alpha with the flexibility to be long, short or neutral on the market.

- › The investment strategy is designed to evaluate potential long and short investments in an attempt to isolate securities the sub-advisor believes are undervalued or overvalued relative to their intrinsic value and offer the greatest risk-adjusted potential for returns.
- › The Fund invests primarily in a diversified portfolio of exchange-traded funds and instruments providing exposure to U.S. and non-U.S. equity securities. The Fund may tactically deploy leveraged investment techniques as well as short positions which allow the Fund a net exposure which can range from 120% net long to 100% net short in its portfolio.
- › Proprietary Volume/Breadth-based Momentum models are used to determine optimal stock market exposure including entry points, the amount of exposure, the type of exposure and exit points.

FUND DETAILS

Sub-Advisor: Broadmark Asset Management, LLC
Category: Multialternative

Benchmark: S&P 500 Index
Dividend Frequency: Annually

Share Class	Ticker	CUSIP	Inception Date	Minimum Investments	Expense Ratio (%)	
					Gross	Net
Investor	FTGX	34986P309	09/14/09	\$4,000	1.81	1.81
Institutional	FTGWX	34986P408	09/14/09	\$100,000	1.46	1.46
Class M	FTGMX	34986P705	02/01/10	N/A	1.46	1.46
Class A	FTAGX	34986P846	03/12/10	\$4,000	1.96	1.96
Class C	FTGOX	34986P200	09/14/09	\$4,000	2.41	2.41

CORRELATION/STANDARD DEVIATION

	Correlation	Standard Deviation
Fund	N/A	6.86
S&P 500 Index	0.75	16.84

For more information visit us at www.forwardfunds.com or call (800) 999-6809

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 at www.forwardfunds.com. It should be read carefully before investing.

There are risks involved with investing, including loss of principal. Past performance does not guarantee future results, share prices will fluctuate and you may have a gain or loss when you redeem shares.

Borrowing for investment purposes creates leverage, which can increase the risk and volatility of a fund. A fund's use of derivative instruments involves risks different from the risks associated with investing directly in securities, and certain derivatives may create a risk of loss greater than the amount invested. Derivatives increase volatility and transaction costs and may reduce performance. A fund that invests in Exchange Traded Funds (ETFs) will be subject to

substantially the same risks as those associated with the direct ownership of the securities or other property held by the ETFs. Foreign securities, especially emerging or frontier markets, will involve additional risks including exchange rate fluctuations, social and political instability, less liquidity, greater volatility and less regulation. A fund's use of short selling involves additional investment risks and transaction costs, and creates leverage, which can increase the risk and volatility of a fund.

Alternative strategies typically are subject to increased risk and loss of principal. Consequently, investments such as mutual funds which focus on alternative strategies are not suitable for all investors.

The S&P 500 Index is an unmanaged index of 500 common stocks chosen to reflect the industries in the U.S. economy. One cannot invest directly in an index.

A correlation coefficient is a measure of the interdependence of two random variables that range in value from -1 to +1, indicating perfect negative correlation at

PORTFOLIO MANAGEMENT

Broadmark Asset Management, LLC is the sub-advisor to the Fund. The portfolio manager is:

Christopher J. Guptill

CEO and CIO
33 Years Experience

Forward Management, LLC, is a privately-held asset management firm that uses a forward-thinking, problem-solving approach to help advisors and investors navigate a shifting, uncertain investment climate. Based in San Francisco, the firm is the investment advisor to the Forward Funds. Forward offers advisors and investors access to a broad spectrum of investment and asset allocation solutions, including an evolving set of alternatives to traditional, long-only investing.

-1, absence of correlation at zero and perfect positive correlation at +1.

Standard deviation measures the degree to which a fund's return varies from its previous returns or from the average of all similar funds.

Alpha is a coefficient measuring risk-adjusted performance.

Forward Management is the investment advisor to the Forward Funds.

Forward Funds are distributed by ALPS Distributors, Inc., which is not affiliated with Forward Management, LLC.

ALPS Distributors, Inc. is not affiliated with Broadmark Asset Management, LLC.

Class M shares are available only to fee-based advisory platforms and retirement plans via omnibus accounts.

Not FDIC Insured | No Bank Guarantee | May Lose Value

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