

Overview

The Fund seeks to capitalize on the inefficient emerging market corporate bond market by offering exposure primarily to euro- and U.S.-dollar-denominated fixed-income securities of emerging market issuers and related derivatives. The Sub-Advisor builds a portfolio of fixed-income securities of companies located in emerging market countries, which may include the following:

- Investing in public and private investment-grade debt securities, as well as public and private non-investment-grade and un-rated debt securities.
- Investing in loans, options, and convertible or perpetual debt.
- Investing in credit default swaps of corporate issuers or indexes.
- Investing in exchange-traded funds (ETFs) that provide exposure to fixed-income securities of issuers in emerging market countries.

Investor Share Class

Ticker Symbol:	FFRX
CUSIP:	349913657
Inception Date:	10/05/07
Gross Expense Ratio:	1.85%
Net Expense Ratio*:	1.39%

Institutional Share Class

Ticker Symbol:	FFIX
CUSIP:	349913640
Inception Date:	10/05/07
Gross Expense Ratio:	1.45%
Net Expense Ratio*:	0.99%

Class C Shares

Ticker Symbol:	FFCX
CUSIP:	349913665
Inception Date:	10/05/07
Gross Expense Ratio:	2.40%
Net Expense Ratio*:	1.94%

*The Fund's investment advisor is contractually obligated to waive a portion of its fees and reimburse other expenses until April 30, 2012, 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 Fund's Investor Class, Institutional Class and Class C shares to an annual rate (as a percentage of the Fund's average daily net assets) of 1.39%, 0.99% and 1.94%, respectively. This expense limitation arrangement may not be terminated by the Fund's investment advisor prior to such date under any circumstances.

Performance

	1Q	Year-to-Date	1 Year	3 Year	Since Inception (10/05/07)
Forward EM Corporate Debt Fund	4.81%	4.81%	11.68%	6.18%	7.94%
Credit Suisse Emerging Market Corporate Bond Index	2.07%	2.07%	8.97%	9.36%	7.80%
Citigroup World BIG Bond ex-U.S. Index	1.95%	1.95%	7.75%	2.71%	6.76%
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)	3.70%	3.70%	10.47%	6.42%	8.57%
Gross Expense Ratio:	1.45%				
Net Expense Ratio*:	0.99%				
30-Day SEC Yield*:	3.60%				

Returns for periods greater than one year are annualized.

*The Fund's investment advisor is contractually obligated to waive a portion of its fees and reimburse other expenses until April 30, 2012, 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 to an annual rate (as a percentage of the Fund's average daily net assets) of 0.99%. This expense limitation arrangement may not be terminated by the Fund's investment advisor prior to such date under any circumstances.

†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 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. The Credit Suisse Emerging Market Corporate Bond Index consists of U.S. dollar-denominated fixed-income issues from Latin America, Eastern Europe and Asia. The Citigroup World BIG (Broad Investment-Grade) Bond ex-U.S. Index is an Unhedged USD 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. 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. The JPMorgan GBI-EM (Government Bond Index-Emerging Markets) Global Diversified Composite 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.

Performance figures and other portfolio data shown for periods prior to February 14, 2011, do not reflect the current sub-advisor's performance or strategy.

Effective May 1, 2011, the Forward International Fixed Income Fund was renamed the Forward EM Corporate Debt Fund.

Effective May 1, 2011, the benchmark index is the Credit Suisse Emerging Market Corporate Bond Index.

A Team Approach

The Forward EM Corporate Debt Fund is team managed, all investment decisions are made jointly by the team and each member has co-primary responsibility for the day-to-day management of the Fund. The team members are:

David C. Hinman, CFA*- Hinman is a Managing Principal and CIO of SW. Prior to founding SW, he was Managing Director and Global Head of Credit for Drake Management LLC. Hinman was a Portfolio Manager for Ares Capital Corporation, and prior to that, he was a Portfolio Manager for Pacific Investment Management Company (PIMCO). Hinman holds an MBA in finance from The University of Pennsylvania.

Raymond T. Zucaro, CFA*- Zucaro is a Managing Principal and Portfolio Manager of SW. Prior to founding SW, he was a Portfolio Manager for Drake Management LLC. Before that, Zucaro was a Senior Investment Analyst for INTL Consilium. He holds an MBA in International Business Administration from Temple University.

*David C. Hinman and Raymond T. Zucaro have earned the right to use the Chartered Financial Analyst designation. CFA Institute marks are trademarks owned by the CFA Institute.

Important Disclosure

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.

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Not FDIC Insured | No Bank Guarantee
| May Lose Value

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Investment Objective

The Fund seeks to achieve high total return (capital appreciation and income).

Investment Process

SW Asset Management LLC (SW) employs a multi-step process conducted by SW's investment professionals. Investment ideas originate from the Portfolio Managers' ongoing coverage of secondary corporate debt markets, as well as from extensive industry contacts.

SW employs a thematic approach to portfolio construction:

- Country and global macroeconomic themes help frame the Fund's industry and country orientation
- Analyze political, demographic and macroeconomic risks to formulate portfolio themes which guide individual security selection
- Conduct in-depth fundamental investment analysis of specific securities
- Security-specific analysis is generally tailored to the perceived risk profile and typically involves specific quantitative and qualitative assessments
- Once an investment resides in the portfolio, exit catalysts are constantly monitored relative to other available investments.

Forward Thinking. Forward Funds.

Forward is an independent asset management firm dedicated to forward thinking that helps investors and advisors navigate a shifting, uncertain investment climate. We provide access to a broad spectrum of investment strategies and asset allocation solutions with a special focus on alternatives to traditional long-only investment.

Forward Management is the investment advisor to the Forward Funds.

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.

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.

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.

Investing in lower-rated ("high yield") debt securities involves special risks in addition to the risks associated with investments in higher-rated debt securities, including a high degree of credit risk.

A "non-diversified" 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. The net asset value per share of a non-diversified fund can be expected to fluctuate more than that of a comparable diversified fund.

A fund that invests in 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.