

Forward Global Infrastructure Fund

As of December 31, 2011

FORWARD FUNDS

PERFORMANCE (%)

	4Q	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception	Gross/Net Expense (%)
Investor	7.91	—	—	—	—	—	-15.74	1.66/1.66
Institutional	7.99	-5.92	-5.92	9.84	—	—	-3.83	1.26/1.26
Class M	7.99	-5.92	-5.92	—	—	—	3.01	1.26/1.26
Class A @ NAV*	7.93	-6.24	-6.24	9.56	—	—	-4.09	1.51/1.51
Class A @ MOP**	1.74	-11.65	-11.65	7.41	—	—	-5.35	1.51/1.51
Class C @ NAV†	7.78	-6.90	-6.90	8.76	—	—	-4.81	2.26/2.26
Class C @ MOP‡	6.78	-7.82	-7.82	8.76	—	—	-4.81	2.26/2.26
S&P Global Infrastructure Index	5.70	-0.39	-0.39	9.70	—	—	—	—

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)

	2008	2009	2010	2011
Investor	—	—	—	—
Institutional	-42.05	29.84	8.50	-5.92
Class M	—	—	—	-5.92
Class A	-42.28	29.53	8.29	-8.95
Class C	-42.76	28.54	7.51	-7.36
S&P Global Infrastructure Index	-38.98	25.28	5.77	-0.39

TOP TEN HOLDINGS

Security	% of Net Assets
Williams Cos., Inc.	5.57
Transurban Group	3.33
Atlantia SpA	3.25
Vinci SA	3.16
Companhia Energetica de Minas Gerais, Sponsored ADR	2.81
ABB, Ltd.	2.12
TransCanada Corp.	2.05
Companhia de Concessoes Rodoviaras	2.03
INPEX Corp.	1.99
Koninklijke Vopak NV	1.83

These holdings may not reflect the current or future positions in the portfolio.

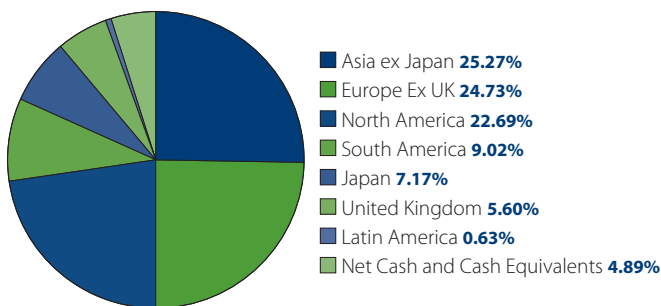
STATISTICS/CHARACTERISTICS

Beta	1.07
R-Squared	93.67
Annual Portfolio Turnover	85.16%
# of Holdings	85
Total Assets	\$110.78M

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

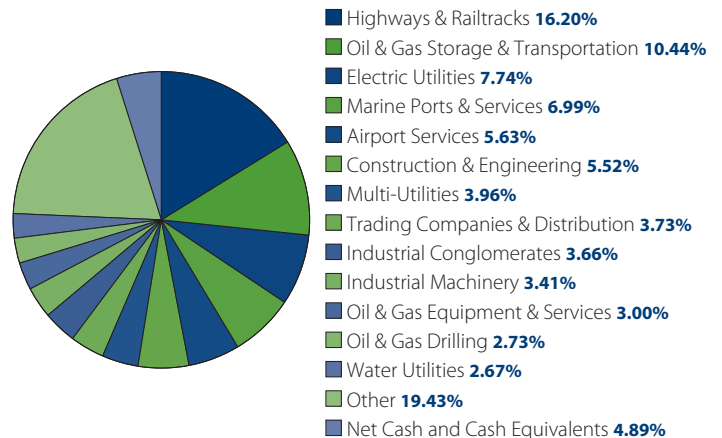
R-Squared reflects the percentage of the Fund's movements that are explained by movement in its benchmark index.

GEOGRAPHIC DIVERSIFICATION



These allocations may not reflect the current or future positions in the portfolio. Percentages may not add to 100% due to rounding.

INDUSTRY ALLOCATION



Other includes: Independent Power Producers (2.17%), Heavy Electrical Equipment (2.12%), Wireless Telecommunication Services (2.08%), Oil & Gas Exploration & Producer (1.99%), Steel (1.63%), Fertilizers & Agricultural Chemicals (1.57%), Railroads (1.37%), Metals & Mining (1.16%), IT Consulting & Other Services (1.04%), Gas Utilities (1.01%), Multi-Sector Holdings (0.82%), Construction & Farm Machinery (0.81%), Electronic Equip., Instruments (0.81%), Specialized Finance (0.39%), Energy Equipment & Services (0.31%) and Machinery (0.15%)

OBJECTIVE

The Fund seeks total return through capital appreciation and current income.

OVERVIEW

The Fund invests in the physical structures and networks that provide necessary services to society, such as transportation and communications networks, utilities, energy storage, transportation and public service facilities.

- › The Fund focuses on investments in mature infrastructure networks that generate positive cash flow and relatively stable revenue streams.
- › The Fund seeks opportunities to participate in the growth of global infrastructure spending through investments in infrastructure-related businesses that provide the services and raw materials necessary for the construction and maintenance of infrastructure assets.
- › The team uses a quantitative, bottom-up process to arrive at an estimated fair value for each company. Companies are ranked both relative to their peer group and relative to the entire infrastructure universe. Qualitative analysis is used to examine country risk and operating history to better understand the risk/return potential of the security.

FUND DETAILS

Advisor: Forward Management, LLC
Category: World Stock

Benchmark: S&P Global Infrastructure Index
Dividend Frequency: Semi-Annually

Share Class	Ticker	CUSIP	Inception Date	Minimum Investments	Expense Ratio (%)	
					Gross	Net
Investor	FGLRX	34987A137	05/01/11	\$4,000	1.66	1.66
Institutional	KGIYX	34987A129	06/29/07	\$100,000	1.26	1.26
Class M	FGIMX	34986P887	02/01/10	N/A	1.26	1.26
Class A	KGIAX	34987A251	06/29/07	\$4,000	1.51	1.51
Class C	KGICX	34987A236	06/29/07	\$4,000	2.26	2.26

CORRELATION/STANDARD DEVIATION

	Correlation	Standard Deviation
Fund	N/A	23.43
S&P Global Infrastructure Index	0.97	21.21

YIELD (%)

	30-Day SEC Yield
Investor	2.73
Institutional	3.14
Class M	3.14
Class A	2.72
Class C	2.13

Data as of 12/31/11. Past performance does not guarantee future results.

PORTFOLIO MANAGEMENT

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

Aaron Visse, CFA

Portfolio Manager
13 Years Experience

Joel Beam

Portfolio Manager
18 Years Experience

Michael McGowan

Portfolio Manager
26 Years Experience

Ian Goltra

Portfolio Manager
25 Years Experience

Jim O'Donnell, CFA

CIO
25 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.

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.

A fund that concentrates in a particular industry will involve a greater degree of risk than a fund with a more diversified portfolio. 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 "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.

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. 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 -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.

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.

Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g., depreciation) and interest expense to pretax income.

Forward Management is the investment advisor to the Forward Funds.

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Performance figures and other portfolio data shown for periods prior to June 15, 2009, do not reflect the current manager's performance or strategy.

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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