

## INVESTMENT STRATEGY

The Fund employs a "bottom-up" approach to stock selection with emphases on superior property location and quality, strong prospects for appreciation in property rents and values, and management's track record for adding value.

## INVESTMENT OBJECTIVE

The Fund seeks total return from both capital appreciation and current income, investing primarily in high-quality commercial and residential real estate companies located in Asia, Australia, Europe, Canada and Latin America.

## PORTFOLIO FACTS

## PORTFOLIO STATISTICS

# of Holdings	87
Total Net Assets	\$44.1m
Wtd. Avg. Mkt. Cap	\$5.4b

## CORRELATION OF INTERNATIONAL REAL ESTATE FUND to:

U.S. REITs	0.79
International Stocks	0.92
World Gov't Bonds	0.32

## STANDARD DEVIATION (in percent)

Int'l Real Estate Fund	23.09
U.S. REITs	30.99
International Stocks	25.39
World Gov't Bonds	7.96

## TICKER SYMBOLS &amp; CUSIPS

<b>A Share</b>	KIRAX	34987A210
<b>C Share</b>	KIRCX	34987A194
<b>Institutional Class</b>	KIRYX	34986P101

## DIVIDENDS

Dividends are paid semi-annually in June and December.

## MINIMUM INVESTMENT

A Share & C Share	\$4,000
Institutional Class	\$100,000

Source: Zephyr Associates, Inc.

International Stocks – MSCI EAFE Index; U.S. REITs – FTSE NAREIT Composite Index; World Government Bonds – Citigroup World Government Bond Index.

Performance statistics are based on monthly returns from 05/01/06 to 3/31/11 and are relative to the FTSE EPRA/NAREIT Developed ex-U.S. Index.

## Fund Performance

	QTD	YTD	1 YR	3 YR	Since Inception (4/28/06)
International Real Estate Fund - Class A (NAV) <sup>1</sup>	2.49%	2.49%	20.28%	-4.94%	-1.05%
International Real Estate Fund - Class A (MOP) <sup>2</sup>	-3.41%	-3.41%	13.33%	-6.79%	-2.23%
FTSE EPRA/NAREIT Developed ex-U.S. Index	0.82%	0.82%	16.24%	-3.63%	0.40%
Gross Expense Ratio:	1.85%				
Net Expense Ratio:	1.65% <sup>3</sup>				

Returns are in percent. Returns for periods greater than one year are annualized.

The Class A shares of the Kensington International Real Estate Fund were reorganized into the Class A shares of the Forward International Real Estate Fund, and the Investment Advisor was changed to Forward Management, LLC, on June 15, 2009. Performance figures shown prior to June 15, 2009 represent performance of the Class A shares of the Kensington International Real Estate Fund.

<sup>1</sup> Excludes sales charge.

<sup>2</sup> Reflects effects of the Fund's maximum sales charge of 5.75%.

<sup>3</sup> The Fund's investment advisor has contractually agreed to waive a portion of its fees and reimburse other expenses until June 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 Class A shares to an annual rate (as a percentage of the Fund's average daily net assets) of 1.65%.

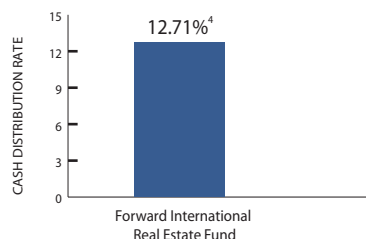
**The performance data quoted represents past performance, does not guarantee future results and current performance may be lower or higher than the data quoted. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month end may be obtained at [www.forwardfunds.com](http://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.**

## Top Ten Holdings

COMPANY	COUNTRY	% of PORTFOLIO
Soundwill Holdings Ltd.	Hong Kong	6.86%
Westfield Group	Australia	5.39%
Hongkong Land Holdings, Ltd.	Hong Kong	3.33%
Great Eagle Holdings, Ltd.	Hong Kong	3.01%
ING Office Fund	Australia	2.84%
Brookfield Properties Corp.	Canada	2.50%
Hysan Development Co., Ltd.	Hong Kong	2.27%
Overseas Union Enterprise, Ltd.	Singapore	2.26%
Keppel Land, Ltd.	Singapore	2.18%
Brookfield Office Properties Canada	Canada	2.04%

Portfolio holdings are subject to change.

## Cash Distribution Rate



The 30-day SEC yield for the International Real Estate Fund is 1.80% as of 3/31/11.<sup>5</sup>

<sup>4</sup> The cash distribution rate is the sum of the trailing 12 months of cash distributions, excluding capital gains distributions, divided by the net asset value at the end of the period. At times, the Fund may pay distributions in excess of its net investment taxable income. To the extent that 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 Fund 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.

<sup>5</sup> 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.

**PORTFOLIO MANAGER**

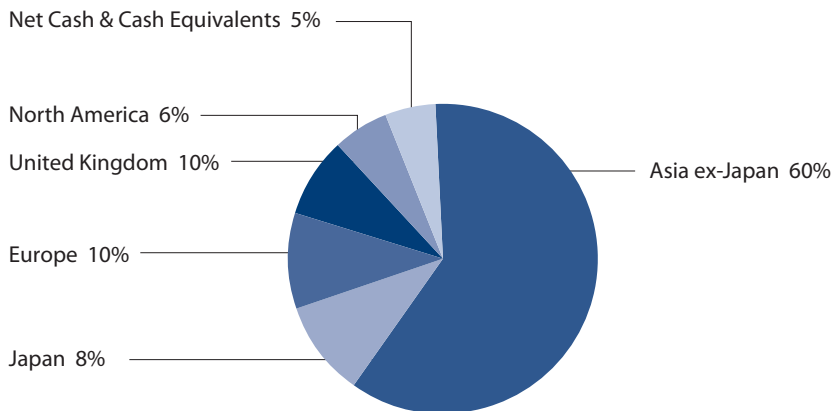
**Michael McGowan**  
 Portfolio Manager  
 23 Years of experience

Mr. McGowan has been a portfolio manager for Forward Management since June 2009, and has primary responsibility for the day-to-day management of the Forward International Real Estate Fund, which he has been managing since 2008. Previously, Mr. McGowan was responsible for securities investment decisions on behalf of Kensington Investment Group, Inc.'s real estate portfolios from 2007 to June 2009. Mr. McGowan joined Kensington in 2005 as a Senior Analyst and began managing portfolios in 2007. Prior to joining Kensington, he was employed at RREEF since 1995 as a Director of Economic and Market Research where he specialized in industrial and office property markets. Prior to joining RREEF, Mr. McGowan was Vice President and co-founder of The Valuations Group where he performed valuations on real estate limited partnerships. Mr. McGowan began his career at Liquidity Fund Investment Corporation and MacKenzie Patterson. At both firms, he was involved in the syndication of real properties and the analysis and the reorganization of real estate securities.

**Forward Thinking. Forward Funds.**

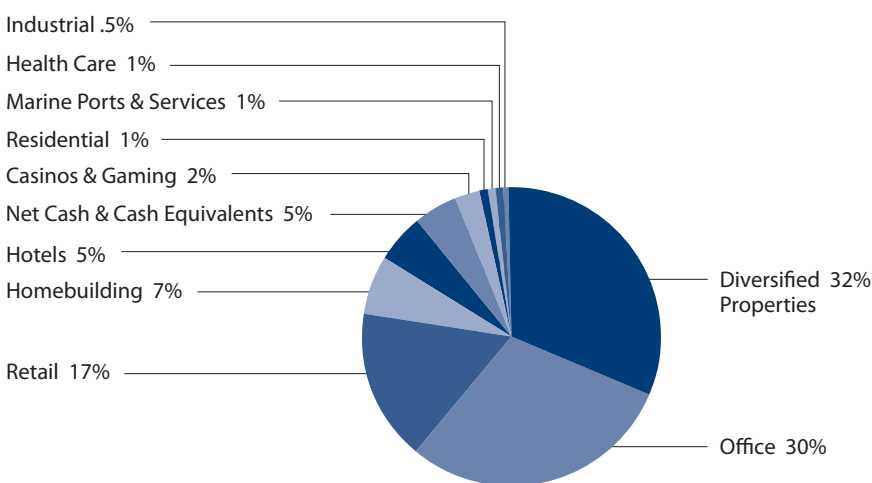
Forward is an independent asset management firm dedicated to forward thinking that helps investors and advisors navigate a shifting, uncertain investment climate. We provide access to a broad spectrum of investment strategies and asset allocation solutions with a special focus on alternatives to traditional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

**Geographic Diversification** (% of Portfolio Holdings)



Portfolio holdings are subject to change.

**Property Sector Diversification** (% of Portfolio Holdings)



Portfolio holdings are subject to change.

Correlation 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 Citigroup World Government Bond Index is a market weighted index of world government fixed income securities in which the total market value of the constituent countries is at least \$20 billion. 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. The FTSE NAREIT Composite Index is an unmanaged index consisting of approximately 200 Real Estate Investment Trust stocks. The MSCI EAFE (Morgan Stanley Capital International, Europe, Australia and Far East) Index is an unmanaged index of over 1000 foreign common stock prices including the reinvestment of dividends. It is widely recognized as a benchmark for measuring the performance of international value funds. You cannot invest directly in an index.

**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 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. A fund that concentrates its investments in opportunities in the real estate industry or otherwise invests in real estate-related securities is subject to the risks associated with direct ownership of real estate. Real estate values can fluctuate as a result of general and local economic conditions, over-building and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighborhood values, increases in interest rates, and defaults by borrowers or tenants. The value of equities that service the real estate business sector may also be affected by such risks.**

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

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