

Overview

Invests in emerging market companies that are undervalued and show strong fundamentals

- Approach to stock selection is bottom up and value oriented
- An active and disciplined investment style can help identify and profit from the many opportunities prevalent in emerging markets
- The Fund's investment team is one of the larger emerging market investment teams in the world and includes both country and sector specialists
- Although there are clear risks to investing in emerging market companies, there is also considerable potential return

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.

Investor Share Class

Ticker Symbol:	PGERX
CUSIP:	349913798
Inception Date:	04/09/03
Gross Expense Ratio:	1.94%
Net Expense Ratio*:	1.79%

Institutional Share Class

Ticker Symbol:	PTEMX
CUSIP:	349913814
Inception Date:	10/04/95
Gross Expense Ratio:	1.54%
Net Expense Ratio*:	1.39%

Class M Shares[†]

Ticker Symbol:	FEMMX
CUSIP:	34986P804
Inception Date:	02/01/10
Gross Expense Ratio:	1.54%
Net Expense Ratio*:	1.39%

*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 Investor Class, Institutional Class and Class M shares to an annual rate (as a percentage of the Fund's average daily net assets) of 1.79%, 1.39% and 1.39%, respectively.

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

Performance

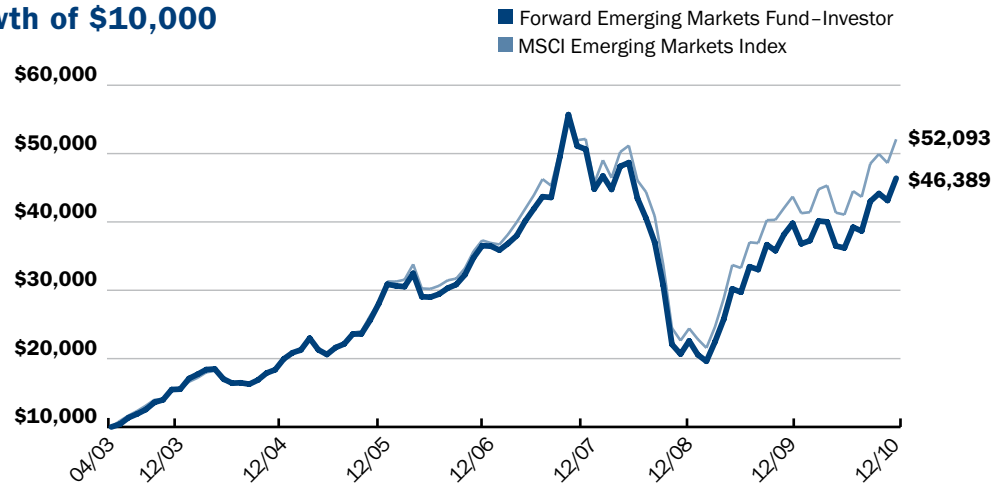
	4Q	Year to Date	1 Year	3 Year	5 Year	Since Inception (04/09/03)
Forward Emerging Markets Fund-Investor	7.87%	16.56%	16.56%	-2.87%	10.61%	21.96%
MSCI Emerging Markets Index	7.36%	19.20%	19.20%	-0.03%	13.11%	23.71%
Gross Expense Ratio:	1.94%					
Net Expense Ratio*:	1.79%					

Returns for periods greater than one year are annualized.

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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 MSCI Emerging Markets Index is a free float-adjusted market capitalization index designed to measure equity market performance in the global emerging markets. The index figures do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an index.

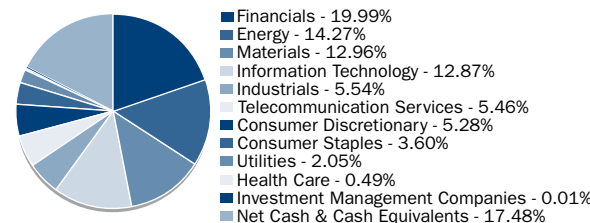
Growth of \$10,000



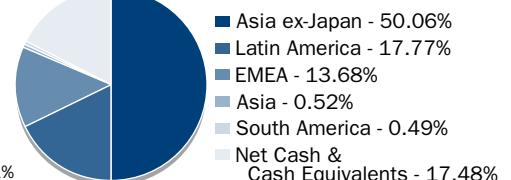
The chart above shows how a hypothetical investment of \$10,000 in the Fund at its inception would have performed versus an investment in the Fund's benchmark index. The first plot point for the Index is based on the month end prior to the Fund's inception. The values next to the Fund and Index names indicate how \$10,000 would have performed over the time period indicated. The hypothetical example does not represent the returns of any particular investment.

Sector Allocation

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



Regional Allocation



Percentages may not add to 100% due to rounding.

A Team Approach

The Forward Emerging Markets Fund is managed* by one of the largest emerging markets investment teams in the industry from Pictet's London office. The team is comprised of 14 emerging markets specialists with a core team of four, led by Nidhi Mahurkar and Klaus Bockstaller.

Nidhi Mahurkar, Co-Lead of Portfolio

Mahurkar is in charge of investments in Asia across Emerging Markets and regional Asian mandates. She holds a BA in economics and an MBA from the Indian Institute of Management in Bangalore.

Klaus Bockstaller, Co-Lead of Portfolio

Bockstaller is in charge of investments in Latin America and EMEA markets across Pictet's Emerging Market mandates. He has over fifteen years of professional investment experience.

Stephen Burrows, Senior Investment Manager and Product Specialist

Burrows has 19 years of European equities and emerging markets experience, and he is an Associate member of the Society of Investment Professionals.

Jonathan Bell, Senior Investment Manager

Bell specializes in the Chinese markets, and in the global emerging market telecom and new media. He holds an MA in international relations from the Fletcher School of Law & Diplomacy (Harvard/Tufts) and an MBA from the Goizueta Business School at Emory University.

* Effective August 1, 2009, Forward Management will directly manage the Fund's cash position.

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.

Forward Funds are distributed by ALPS Distributors, Inc.

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Not FDIC Insured | No Bank Guarantee
| May Lose Value

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Investment Objective

The Fund seeks to achieve long-term growth of capital.

Top Ten Holdings

Security	% of Net Assets
Samsung Electronics Co., Ltd.	3.23%
Companhia Vale do Rio Doce	2.12%
China Construction Bank Corp.	2.07%
Petroleo Brasileiro SA, Sponsored ADR, Preferred Shares	1.97%
OAO Gazprom, Sponsored ADR	1.67%
Taiwan Semiconductor Manufacturing Co., Ltd., Sponsored ADR	1.54%
CNOOC, Ltd.	1.53%
Grupo Mexico SAB de CV, Series B	1.49%
Bank of China, Ltd., Class H	1.44%
Banco do Brasil SA	1.40%

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

Statistics

Category:	Diversified Emerging Markets
Benchmark:	MSCI Emerging Markets Index
Index Price/Book*:	3.17
Trailing P/E*:	21.73
Average EPS Growth Rate*:	24.12%
Long-Term Debt-to-Equity*:	0.00%
Weighted Average Market Cap*:	\$48.3B
Median Market Cap*:	\$11.7B
Beta:	1.01
R-Squared:	0.98
Number of Holdings:	129
Annualized Turnover:	129.19%
Net Assets:	\$208.3M

*Data refers to the Fund's holdings and not to the Fund itself.

Price/Book Ratio and Price/Earnings Ratio represent equity securities within the Fund's portfolio, and are not intended to demonstrate Fund growth, income earned by the Fund, or distributions made by the Fund.

Average EPS Growth Rate represents current year consensus estimates by distribution of the portfolio.

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

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

Investment Process

- Investment Universe**
Universe of over 6,100 emerging markets companies with a focus on 1,300 core investable companies, based on financial liquidity and relative financial strength in sector.
- Financial Analysis**
Quantitative and qualitative tools are used to identify companies with the best potential for growth and return.
- Adjusted Value**
Narrow selection to typically 70-120 companies based on adjusted value on an industry-by-industry basis.
- Top-Down Overlay**
Review bottom-up analysis with top-down findings and thematic factors to select investment choices.

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.

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