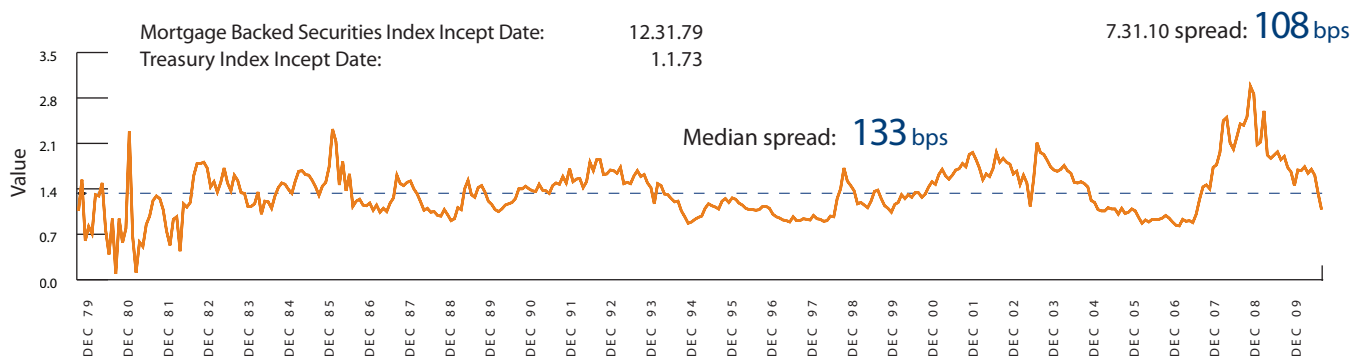


# BARCLAYS CAPITAL BOND SPREADS

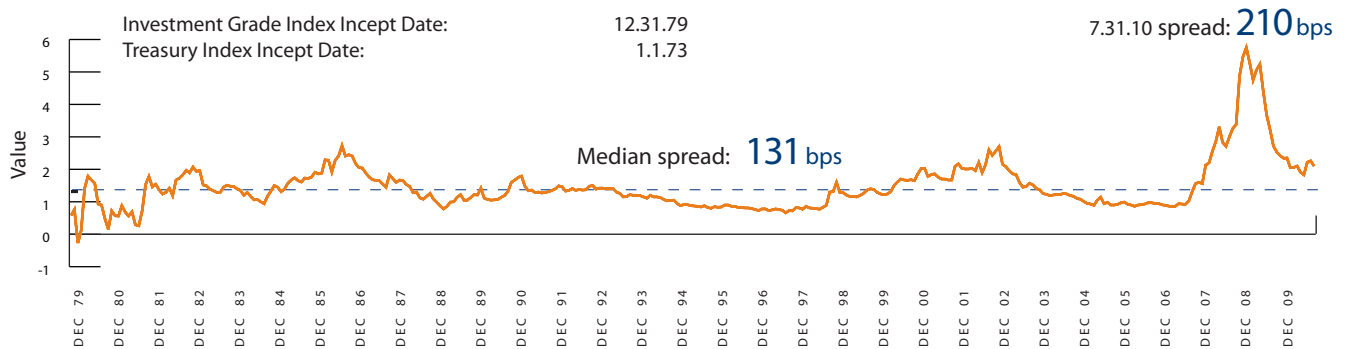
Bond spreads may be used as an indication of the risk premium the market assigns to an asset class. When spreads widen compared to the relatively risk free rate (represented by U.S. Treasuries), it may be indicative of the market applying a higher risk level to that asset class.

Tracking these spreads over time may provide a signal of where the risk premium lies. This information could be helpful for the purposes of identifying trends in fixed-income asset classes or in gaining insight into allocation decisions.

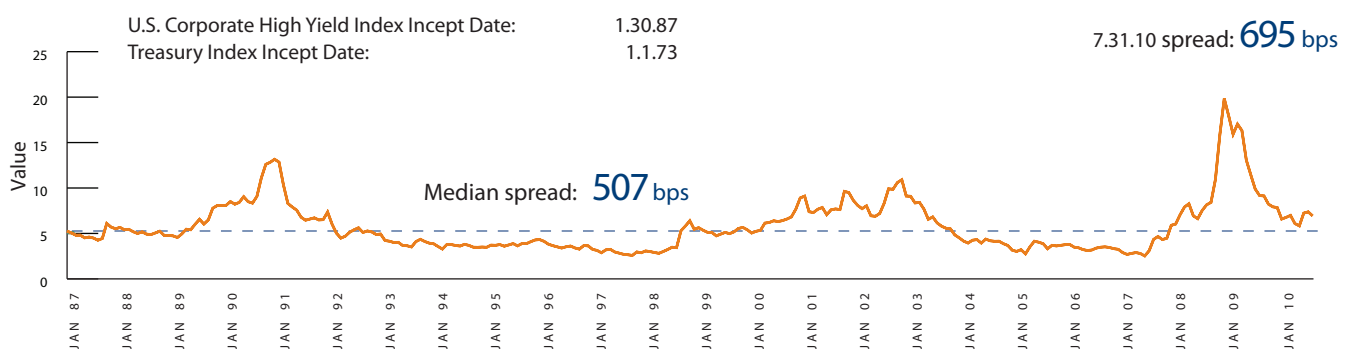
## BARCLAYS CAPITAL MORTGAGE BACKED SECURITIES INDEX VS. BARCLAYS CAPITAL TREASURY INDEX\*



## BARCLAYS CAPITAL INVESTMENT GRADE CREDIT INDEX VS. BARCLAYS CAPITAL TREASURY INDEX\*



## BARCLAYS CAPITAL U.S. CORPORATE HIGH YIELD INDEX VS. BARCLAYS CAPITAL TREASURY INDEX\*



\*Source: Barclays Capital. Updated monthly.

Investing involves risk, including possible loss of principal. Index returns are for illustrative purposes only and do not represent actual Fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

The summary, prices, quotes, and statistics have been obtained from sources we believe to be reliable, but we cannot guarantee their accuracy or completeness. All expressions of opinion are subject to change without notice.

**Index Definitions:**

The **Barclays Capital Investment Grade Credit Index** is publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

The **Barclays Capital Mortgage Backed Securities Index** is an unmanaged index of mortgage pools of the Government National Mortgage Association, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association.

The **Barclays Capital U.S. Corporate High Yield Index** is an unmanaged index of fixed-rate, noninvestment grade debt issues rated Ba1 or lower by Moody's, rated BB+ or lower by S&P, rated below investment grade by Fitch Investor's Service or if unrated previously held a high yield rating or have been associated with a high yield issuer, and must trade accordingly.

The **Barclays Capital Treasury Index** represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

***Please consider the objectives, risks, charges and expenses carefully before investing in the Forward Funds. A prospectus with this and other information may be obtained by calling (888) 312-4100 or by visiting [www.forwardfunds.com](http://www.forwardfunds.com). Please read carefully before making a final investment decision.***

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