FORWARD
the new direction of investing

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This Brochure provides information about the qualifications and business practices of Forward Management, LLC ("Forward Management"). If you have any questions about the contents of this Brochure, please contact us at 415-869-6300. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Forward Management refers to itself as a "registered investment advisor" in materials distributed to current and prospective clients. As a registered investment advisor with the SEC, Forward Management is subject to the rules and regulation adopted by the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration as an investment adviser is not an indication that Forward Management or its directors, officers, employees or representatives have attained a particular level of skill, ability or training.

Additional information about Forward Management is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Forward Management has made the following material changes to the information provided in the prior annual update for this Brochure, which was dated March 1, 2013:

- Clarified the description of the ownership of Forward Management
- Added additional disclosure to the discussion of the firm's advisory services
- Added the flexibility for the firm to engage solicitors and other third parties to market Private Funds
- Updated the disclosure of advisory fees received from Registered Investment Companies
- Updated the disclosure regarding sales compensation for Model Portfolios
- Changed the preferred minimum sizes for Managed Accounts
- Changed the amount of Forward Management's ownership interest in Legato Capital Management, LLC
- Added additional disclosure to the discussion of the firm's recommendation of other investment advisors
- Updated the disclosure regarding the use of soft dollars
- Clarified the disclosure regarding the allocation of soft dollar research
- Updated the disclosure regarding review of accounts
- Added disclosure regarding compensation for client referrals
- Clarified that clients may limit Forward Management's discretionary authority with respect to Managed Accounts

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ITEM 4 – ADVISORY BUSINESS

Advisory Firm

Forward Management is a Delaware limited liability company that commenced operations in 1998. Forward Management's capital ownership interests are held predominantly by Gordon Peter Getty and ReFlow Forward Family Holding Company, an entity controlled by Gordon Peter Getty, with the balance held by management and employees. ReFlow Forward Family Holding Company is owned by two Getty family trusts, Getty Family I 2006 Irrevocable Trust and Getty Family II 2006 Irrevocable Trust.

Advisory Services

Forward Management currently provides the following types of advisory services:

- Acting as the investment manager, managing member and/or general partner, and providing discretionary investment advisory services to privately offered pooled investment vehicles ("Private Funds"). Services provided by Forward Management (or, in certain situations, an affiliate of Forward Management) to a Private Fund, in its capacity as the advisor, general partner/managing member, or otherwise, may include: organizing and managing the Private Fund's business affairs; executing and reconciling trades; preparing financial statements and providing audit support; preparing tax-related schedules; and providing investor or sales support such as drafting, printing, and distributing correspondence to investors and prospective investors;

- Investment management services, on a discretionary basis, for taxable and tax-exempt institutions and individual clients through the use of separately-managed accounts ("Managed Accounts");

- Investment advisory services to a registered investment company, Forward Funds. As the investment advisor, Forward Management directly manages various series of Forward Funds and selects sub-advisors to manage other Forward Funds' portfolios and monitors the services provided by each sub-advisor. The officers of Forward Funds are also employees of Forward Management, and one member of Forward Funds' Board of Trustees is an officer of Forward Management. Forward Management may also provide investment advisory services as a sub-advisor to other registered investment companies ;

- Asset allocation services to institutional investors. These services may include research, recommendation, and ongoing monitoring and selection of mutual funds, including the Forward Funds;

- Creation of Model Portfolios. Forward Management provides certain of its model accounts ("Model Portfolios") to a limited number of outside firms on a daily or less frequent basis. The outside firms are responsible for implementing any changes to the model accounts in their client accounts that are invested in the strategy represented by Forward Management's model account(s); and

- Advisory services through wrap fee programs sponsored by unaffiliated firms ("Wrap Programs").

Forward Management generally provides investment advice on a wide variety of U.S. and foreign investment products, including publicly traded and privately placed securities, but does not hold itself out as specializing in any particular type of investment advisory service.

Tailoring of Advisory Services

Typically, Forward Management is retained with respect to Forward Funds, Managed Accounts, and Private Funds on a discretionary basis and is authorized to make the following determinations in accordance with the client's specified investment objectives without client consultation or consent before a transaction is effected: (a) which securities to buy or sell; (b) the total amount of securities to buy or sell; (c) the broker or dealer through whom securities are bought or sold; (d) the commission rates at which securities transactions for client accounts are effected; and (e) the prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

However, clients may limit Forward Management's discretionary authority in any or all of the arrangements described above. Forward Management may provide non-discretionary advice and may accept advisory accounts with limited discretion or where investments or brokerage arrangements are client-directed pursuant to an agreement between Forward Management and the client or pursuant to the contractual terms of the relevant wrap fee program. Forward Management requires that such client-imposed limitations or directions be in writing.

Wrap Programs

Forward Management participates in Wrap Programs sponsored by broker-dealers, banks or other financial institutions ("Wrap Sponsors"), and certain individuals and institutions may become clients of Forward Management through their participation in such a Wrap Program (each, a "Wrap Program Client"). Each Wrap Sponsor generally charges clients quarterly in advance or arrears some form of comprehensive fee based upon a percentage of the value of the assets under management. The comprehensive (or wrap) fee may include execution, consulting and custodial services performed or arranged by the Wrap Sponsor and in an amount sufficient to cover the investment advisory services of discretionary managers like Forward Management. In some Wrap Programs, Forward Management's fee may be paid directly by the Wrap Program Client pursuant to a separate contract executed between Forward Management and the Wrap Program Client. In other wrap fee programs, Forward Management's fee is paid by the Wrap Sponsor.

The Wrap Sponsor, not Forward Management, is responsible for establishing the financial circumstances, investment objectives, and investment restrictions of each Wrap Program Client through a client profile, questionnaire and/or investment policy statement as well as consultations with the Wrap Sponsor's personnel. Each Wrap Program Client completes a profile and enters into a wrap fee agreement with the Wrap Sponsor. In some wrap fee programs, Wrap Program Clients may also be required to enter into a separate investment advisory agreement directly with Forward Management, or Forward Management may be a party to the Wrap Program Client agreement.

Client Assets Under Management (as of December 31, 2013)

Discretionary:	$5,168,995,000
Non-Discretionary:	$0

ITEM 5 – FEES AND COMPENSATION

Private Funds

Types of Fees

Under Forward Management's investment management agreement with each Private Fund, Forward Management will receive an annual management fee based on the account balance of each Private Fund investor. Forward Management, in its discretion, may waive or reduce the management fee as to all or any of the investors in a Private Fund or agree with an investor to waive or alter the management fee as to that investor.

Under Forward Management's investment management agreement with each Private Fund or a Private Fund's charter documents, as applicable, Forward Management will also receive an annual performance-based fee or allocation in arrears based on the net capital appreciation (*i.e.*, capital appreciation less capital depreciation) of each investor's account in the Private Fund. The performance-based fee or allocation is payable only if, and to the extent that, the net capital appreciation of the investor's account exceeds any net capital depreciation accumulated in prior years (as adjusted for withdrawals of capital). The capital account of Forward Management or its affiliate, as general partner of each Private Fund, is not included when calculating any such fees or compensation. Forward Management, in its discretion, may waive or reduce the performance-based fee or allocation as to all or any of the investors in a Private Fund or agree with an investor to waive or alter the performance-based fee or allocation as to that investor.

Management fees for Private Funds do not exceed 2.00% per annum, and performance-based fees or allocations do not exceed 20% of gains.

Lower fees for comparable services may be available from other sources. The expenses of a Private Fund, including Forward Management's management fee and performance-based fee or allocation, may constitute a higher percentage of average net assets than would be found in other investment vehicles not managed by Forward Management.

Payment Method

The management fee will typically be paid by each Private Fund monthly or quarterly in arrears by deduction from each investor's capital account in the Private Fund on the last business day of the month or quarter, as applicable. The performance-based fee or allocation is also paid by deduction from each investor's account in the Private Fund on or about December 31 of each year in which a performance-based fee or allocation is earned. For any period less than a month or quarter, a prorated management fee will be deducted. If an investor withdraws all or a portion of its account in a Private Fund on a date other than December 31, a performance-based fee or allocation will be made on the amount withdrawn for the period beginning on January 1 and ending on the date of the withdrawal.

Other Fees and Expenses

Each Private Fund bears all expenses of its organization and operation, expenses incurred in the purchase and sale of investments, and accounting fees, as determined by Forward Management. Such expenses include but are not limited to: (i) brokerage and execution charges, commissions, custodial charges, and fees for quotation and other data services; (ii) fees related to accounting, trading, portfolio management, and risk management systems; (iii) research subscription fees and expenses; (iv) broken trade and broken deal fees; (v) expenses to register securities and transfer taxes; (vi) costs and expenses incurred for the purpose of protecting and enhancing the value of the Private Fund's investments (including the costs of instituting and defending litigation); (vii) taxes, filing, and registration fees of the Private Fund; (viii) all costs, fees, and expenses relating to investor communications, relations, accounting, and the preparation and mailing of financial, tax, and performance information to investors; (ix) fees, costs, and expenses incurred in connection with borrowings; (x) administration fees, costs, and expenses; and (xi) fees for attorneys, accountants, consultants, and other professionals or experts. Private Fund investors may also indirectly bear a portion of any fees or expenses charged by investment funds (including mutual funds or other hedge funds) in which the Private Fund invests or other investment managers to which Forward Management allocates a portion of Private Fund assets. Forward Management may, at its discretion, choose to pay or reimburse the Private Fund for any or all portion of such expenses. In such event, Forward Management may be reimbursed at a later date by the Private Fund for such expenses borne by Forward Management. For additional information regarding brokerage and execution fees, please see Item 12 below.

Refunds

Not applicable.

Sales Compensation

Forward Management may engage solicitors and other third parties to market Private Funds. Forward Management may reimburse such persons for some expenses incurred in connection with those activities, and will compensate them with a percentage of the assets raised, and/or advisory fees or profit allocations received by Forward Management or its affiliates with respect to investors referred by such persons. In some cases, a third-party firm will convey some or all of these payments to supervised persons of Forward Management who are also registered representatives of that firm. These arrangements present a conflict of interest in that they give such supervised persons an incentive to recommend Private Funds based on such compensation, rather than on investors' needs. To the extent required, Forward Management complies with Rule 206-4(3) under the Advisers Act.

Managed Accounts

Types of Fees

Forward Management's fees for Managed Accounts are a percentage of the fair market value of assets held in the Managed Account. Fees may be negotiated, and the percentage used depends upon the nature and extent of the investment supervisory and/or administrative services requested, the investment objectives of the client, and competitive factors. Subject to these factors, the basic annualized fee schedule for certain portfolios is as follows:

U.S. Dividend Portfolio:

0.75%	First $25,000,000
0.65%	Next $25,000,000
0.60%	Excess over $50,000,000

Global Dividend and SmallMid Core Portfolio:

0.65%	First $25,000,000
0.55%	Next $25,000,000
0.45%	Excess over $50,000,000

International Dividend ADR and Institutional Portfolios:

0.85%	First $250,000,000
0.75%	Next $750,000,000
0.65%	Excess over $1,000,000,000

Fixed Income Portfolio:

0.25%	First $250,000,000
0.15%	Excess over $250,000,000

Tactical Growth Portfolio:

1.00%	First $250,000
0.75%	Next $250,000
0.65%	Next $500,000
0.50%	Excess over $1,000,000

Dynamic Sector Portfolio:

1.00%

Tactical Enhanced Portfolio:

1.00%

Fees for individual and other non-institutional Managed Accounts are charged quarterly, in advance, at the beginning of each calendar quarter, based on the market value of the client's account on the last business day of the calendar quarter. New accounts are charged a pro-rata fee for the quarter based on the market value of the account on the last business day of the quarter and prorated on a daily basis.

Fees for institutional Managed Accounts are charged quarterly, in arrears, based on the value of the client's account on the last business day of the quarter. New accounts are charged a pro-rata fee for the quarter based on the market value of the account on the last business day of the quarter and prorated on a daily basis.

Lower fees for comparable services may be available from other sources. The expenses of the Managed Account, including Forward Management's management fee, may constitute a higher percentage of average net assets than would be found in other investment vehicles not managed by Forward Management.

Payment Method

Payment of fees for individual and other non-institutional Managed Accounts and for institutional Managed Accounts will be made through either a quarterly debit to the client's account at the custodian bank or broker/dealer or will be made upon invoice, which will be due within 30 days of the date of the invoice. At the client's request, Forward Management will send the client an informational statement of the fees due each quarter.

Other Fees and Expenses

In addition to the management fee, a Managed Account client is responsible for any fees, expenses, or charges incurred by or on behalf of the Managed Account related to (i) custodial services provided for the Managed Account, (ii) transactions effected for the Managed Account, including brokerage and execution charges, markups and commissions, and (iii) any other service provided for the Managed Account by any person other than Forward Management. For additional information regarding brokerage and execution charges, please see Item 12 below.

Refunds

If a Managed Account client terminates its investment management agreement on a date other than the end of a calendar quarter, any unearned portion of the management fee (calculated from the date the agreement is terminated to the last day of the calendar quarter) already paid at the beginning of the quarter will be refunded to the client by Forward Management promptly after the effective date of the termination.

Sales Compensation

Not applicable.

Registered Investment Companies

Types of Fees

Each fund that is a series of the Forward Funds (each, a "Fund") pays the following advisory fees to Forward Management, pursuant to an investment management agreement by and between Forward Funds, on behalf of each Fund, and Forward Management (the "Forward Funds Investment Management Agreement"). The advisory fee is computed daily and paid monthly, at the following annual rates based on the average daily net assets of the respective Fund:

Fund	**Advisory Fee** **(as a percentage of Fund daily net assets)**
Forward Balanced Allocation Fund	0.10%
Forward Commodity Long/Short Strategy Fund	1.00%
Forward Core Strategy Long/Short Fund	1.00%
Forward Credit Analysis Long/Short Fund*	1.50%
Forward Dynamic Income Fund	1.00%
Forward EM Corporate Debt Fund*	0.70% up to and including $500 million 0.64% over $500 million up to and including $1 billion 0.58% over $1 billion up to and including $5 billion 0.52% over $5 billion
Forward Emerging Markets Fund	1.10%
Forward Endurance Long/Short Fund	1.50%
Forward Floating NAV Short Duration Fund	0.35%
Forward Frontier Strategy Fund	0.85%
Forward Global Dividend Fund	0.80% up to and including $500 million 0.725% over $500 million up to and including $1 billion 0.675% over $1 billion
Forward Global Infrastructure Fund	0.90%
Forward Growth & Income Allocation Fund	0.10%
Forward Growth Allocation Fund	0.10%
Forward High Yield Bond Fund	0.25%
Forward Income & Growth Allocation Fund	0.10%
Forward Income Builder Fund	0.10%

Fund	**Advisory Fee**** **(as a percentage of Fund daily net assets)**
Forward International Dividend Fund	0.85% up to and including $250 million 0.75% over $250 million up to and including $1 billion 0.65% over $1 billion
Forward International Real Estate Fund	1.00%
Forward International Small Companies Fund*	1.00% up to and including $500 million 0.975% over $500 million up to and including $1 billion 0.95% over $1 billion
Forward Investment Grade Fixed-Income Fund	0.25%
Forward Managed Futures Strategy Fund	1.00%
Forward Multi-Strategy Fund	0.10%
Forward Real Estate Fund	0.85% up to and including $100 million 0.80% over $100 million up to and including $500 million 0.70% over $500 million
Forward Real Estate Long/Short Fund	1.00%
Forward Select EM Dividend Fund	1.10%
Forward Select Income Fund	1.00%
Forward Select Opportunity Fund	1.00%
Forward Small Cap Equity Fund	0.85%
Forward Tactical Enhanced Fund	1.15%
Forward Tactical Growth Fund*	1.15% up to and including $1 billion 1.05% over $1 billion
Forward Total MarketPlus Fund	0.50%
Forward U.S. Government Money Fund	0.08%

**The Fund pays an advisory fee to Forward Management, which in turn pays each sub-advisor a sub-advisory fee, as applicable.*

*****Advisory fees payable pursuant to the Forward Funds Investment Management Agreement may be subject to certain waivers as agreed between Forward Management and Forward Funds.***

Forward Management is compensated by other registered investment companies to which it provides services as a sub-advisor at negotiated rates as described in the investment management agreement.

Payment Method

The fees and compensation paid to Forward Management will be paid in accordance with the investment management agreement.

Wrap Programs

Types of Fees

With respect to each Wrap Program in which Forward Management participates, the fees received by Forward Management from each Wrap Sponsor are set forth in Forward Management's investment management agreement with the Wrap Sponsor or the Wrap Program Client ("Wrap Management Contract") and may vary depending on the Wrap Sponsor's program size and style, the services performed by the Wrap Sponsor, and other factors.

Forward Management's fees for Wrap Programs are a percentage of the fair market value of assets held in the Wrap Programs. Fees may be negotiated, and the percentage used depends upon the nature and extent of the investment supervisory and/or administrative services requested, the investment objectives of the client, and competitive factors. Subject to these factors, the basic annualized fee schedule for certain portfolios is as follows:

U.S. Dividend Portfolio:

0.75%	First $25,000,000
0.65%	Next $25,000,000
0.60%	Excess over $50,000,000

Global Dividend and SmallMid Core Portfolio:

0.65%	First $25,000,000
0.55%	Next $25,000,000
0.45%	Excess over $50,000,000

International Dividend ADR and Institutional Portfolios:

0.85%	First $250,000,000
0.75%	Next $750,000,000
0.65%	Excess over $1,000,000,000

Fixed Income Portfolio:

0.25%	First $250,000,000
0.15%	Excess over $250,000,000

Tactical Growth Portfolio:

1.00%	First $250,000
0.75%	Next $250,000
0.65%	Next $500,000
0.50%	Excess over $1,000,000

Dynamic Sector Portfolio:

1.00%

Tactical Enhanced Portfolio:

1.00%

Fees for Wrap Programs are charged quarterly, either in arrears or in advance, based on the value of the client's account on the last business day of the quarter. New accounts are charged a pro-rata fee for the quarter based on the market value of the account on the last business day of the quarter and prorated on a daily basis.

Payment Method

Forward Management is generally paid on a quarterly basis, either in arrears or in advance, as provided in the Wrap Management Contracts.

Costs and Expenses

Not applicable.

Refunds

If a Wrap Program Client's account with Forward Management is terminated at any time during a fee period, Forward Management will return any prepaid but unearned advisory fees received by Forward Management for refund to the Wrap Program Client.

Sales Compensation

Not applicable.

Asset Allocation Services

Types of Fees

Forward Management is compensated by outside firms for whom Forward Management provides asset allocation services ("Asset Allocation Clients") at negotiated rates based on the amount of assets held by the Asset Allocation Clients. Where the assets of Asset Allocation Clients are allocated to funds or products managed by Forward Management, no separate fee is charged for the asset allocation.

Payment Method

Payment of fees for asset allocation services will be made as negotiated with the Asset Allocation Client.

Costs and Expenses

Costs and expenses for asset allocation services will be handled as negotiated with the Asset Allocation Client.

Refunds

Refunds of fees for asset allocation services will be made as negotiated with the Asset Allocation Client.

Sales Compensation

Not applicable.

Model Portfolios

Types of Fees

Forward Management is compensated by outside firms for whom Forward Management provides model portfolios at negotiated rates as described in the contract between Forward Management and the outside firm ("Model Portfolio Contract"). There are no minimum fees.

Payment Method

Payment of fees for model portfolios will be made as described in the Model Portfolio Contract.

Costs and Expenses

Costs and expenses for model portfolios will be handled as described in the Model Portfolio Contract.

Refunds

Refunds of fees for model portfolios will be made as described in the Model Portfolio Contract.

Sales Compensation

Not applicable.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Forward Management receives performance-based fees or allocation (*i.e.*, fees based on a share of capital gains on or capital appreciation of the assets of a client) from various Private Funds to which it provides investment advisory services. Fees based on performance will be charged only in accordance with the provisions of Rule 205-3 under the Advisers Act. Performance-based compensation may create an incentive for Forward Management to cause an account to make investments that are riskier than it would otherwise make. In addition, since Forward Management's performance-based compensation is calculated on a basis that includes unrealized appreciation of the assets held by an account, it may be greater than if such compensation were based solely on realized gains.

The nature and amount of compensation paid to Forward Management by the Private Funds, which may have investment strategies that involve investing in similar investments as, or competing or conflicting investments from, other accounts, are different from that paid by Forward Funds or Managed Accounts, as these latter accounts are subject to *asset-based fees*, as opposed to *performance-based fees*. Forward Management and its personnel may also have differing investment or pecuniary interests in different accounts managed by Forward Management, and the personnel may have differing compensatory interests with respect to different accounts. Forward Management faces a potential conflict of interest when (i) the actions taken on behalf of one account may impact other similar or different accounts (*e.g.*, where accounts have the same or similar investment strategies or otherwise compete for investment opportunities, have potentially conflicting investment strategies or investments, or have differing ability to engage in short sales and economically similar transactions) and/or (ii) Forward Management and its personnel have differential interests in such accounts (*e.g.*, where Forward Management or its related persons are exposed to different potential for gain or loss through differential ownership interests or compensation structures) because Forward Management may have an incentive to favor certain accounts over others that may be less lucrative. Such conflicts may present particular concern when, for example, Forward Management places, or allocates the results of, securities transactions that Forward Management believes could more likely result in favorable performance, engages in cross trades, or executes potentially conflicting or competing investments. To mitigate these conflicts, Forward Management's policies and procedures seek to ensure that investment decisions are made in accordance with the fiduciary duties owed to such accounts and without consideration of Forward Management's (or such personnel's) pecuniary, investment, or other financial interests.

As Forward Management's compensation is based on the net asset value of an account, a conflict may also arise when Forward Management or a related person is valuing the assets held by that account rather than a third-party valuation firm. Assets will generally be valued by Forward Management or its related person in accordance with U.S. generally accepted accounting principles ("GAAP").

ITEM 7 – TYPES OF CLIENTS

For a discussion of Forward Management's clients, please refer to Item 4 above.

Account Requirements and Minimums

Private Funds

Forward Management generally requires investors in a Private Fund to make a minimum initial investment and to maintain a minimum investment in that Private Fund, although the amount of the minimums varies from fund to fund. Investors that are U.S. persons generally must be "accredited investors" under Regulation D under the Securities Act of 1933, as amended, who are eligible to enter into a performance fee arrangement under the Investment Advisers Act, and for certain Private Funds, "qualified purchasers" under Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the "Investment Company Act"). Forward Management generally requires Private Fund investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in a Private Fund. The minimum contribution and investor requirements may be waived by Forward Management in its sole discretion.

Managed Accounts

Forward Management does not have absolute minimum requirements for the amount of assets for establishing or maintaining a Managed Account. However, Forward Management does have preferred minimum Managed Account sizes, as indicated below:

International Dividend Institutional Portfolio

Preferred minimum account size is $25,000,000

All Other Portfolios

Institutional Managed Accounts: Preferred minimum account size is $5,000,000

Individual Managed Accounts: Preferred minimum account size is $100,000

Forward Management may accept accounts below these minimums. Forward Management reserves the right, at its sole discretion, to negotiate the minimum dollar value at the time the relationship is entered into with a client or investor.

Wrap Programs

Minimum investments and account values required to engage Forward Management as a discretionary manager in a Wrap Program vary from sponsor to sponsor, as described by the Wrap Sponsor in its program brochure. Forward Management generally does not have discretion to waive sponsor-imposed minimums but may have discretion to waive or reduce minimums imposed by Forward Management in excess of those required by the Wrap Sponsor.

Asset Allocation Services

No requirements or minimums.

Model Portfolios

No requirements or minimums.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Methods of Analysis

Investment Analysis

Investments for each account are identified and selected by Forward Management. Forward Management evaluates investments based on a variety of factors described below in respect of each portfolio. Following an investment by Forward Management for and on behalf of an account, Forward Management will continue to monitor the progress and suitability of portfolio investments as well as market and economic outlook.

To help develop its investment recommendations, Forward Management may use commercially available information services and financial publications dealing with investment research, securities law, and taxation. Such information may be obtained in print, via the internet, or by some other means. Issuer-prepared materials (particularly prospectuses), private placement due diligence materials, and research releases prepared by third parties are also utilized. Forward Management also may use research materials prepared by various investment product vendors or custodians as well as in-house analysts. Forward Management may also obtain information by meeting with an issuer's management, customers or competitors, attending industry conferences, and consulting with experts in the appropriate field.

Investments in securities involve risk of loss that investors must be prepared to bear.

Investment Strategies and Risk

Investment Strategies

Forward Management offers investment management and advisory services in the following investment strategies, each of which is described below along with the material risks involved in each portfolio.

U.S. Dividend Portfolio seeks to provide long-term capital appreciation and dividend income by investing primarily in larger, established companies located in the United States. The portfolio invests primarily in high quality common stocks that regularly pay dividends. Investments are selected based on higher relative dividend yields, dividend growth potential, and anticipated stock price appreciation. The U.S. Dividend Portfolio is subject to the following material risks:

- Equity Securities: The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the portfolio invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

International Dividend ADR and Institutional Portfolios seeks to provide long-term capital appreciation and dividend income by investing primarily in companies located outside the United States. The portfolio invests primarily in stocks that regularly pay dividends. Investments are selected based on higher relative dividend yields, dividend growth potential, and anticipated stock price appreciation. The International Dividend ADR and Institutional Portfolios are subject to the following material risks:

- Currency Transactions: A security denominated in a foreign currency will fluctuate if there is a change in currency exchange rates or exchange control regulations, and adverse fluctuations will reduce the value of the portfolio's investments. Conversion between currencies can result in additional costs and conversion may be limited by certain foreign countries. Portfolio managers are authorized to hedge against currency risks but are not required to do so.

- Depositary Receipts: Investments in depositary receipts involve risks similar to those accompanying direct investments in foreign securities. In addition, there is risk involved in investing in unsponsored depositary receipts, as there may be less information available about the underlying issuer than there is about an issuer of sponsored depositary receipts and the prices of unsponsored depositary receipts may be more volatile than those of sponsored depositary receipts.

- Emerging Market and Frontier Market Securities: Emerging market and frontier market securities present greater investment risks than investing in the securities of U.S. companies. These risks include a greater likelihood of economic, political, or social instability, less liquid and more volatile stock markets, foreign exchange controls, a lack of government regulation and different legal systems, and immature economic structures.

- Equity Securities: The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the portfolio invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

- Foreign Securities: Foreign securities present greater investment risks than investing in the securities of U.S. companies. These risks include unstable political, social, and economic conditions, greater illiquidity and volatility, currency exchange rate fluctuations, foreign exchange controls, different laws and legal systems, and less availability of information about issuers.

- Overseas Exchanges: The Institutional portfolio may engage in transactions on a number of overseas stock exchanges, which may pose increased risk and result in delays in obtaining accurate information on the value of securities. In addition, the portfolio may engage in transactions in the stock markets of emerging market countries, which in general have stock markets that are less liquid, smaller, and less regulated than many of the developed country stock markets.

Global Dividend Portfolio seeks to provide long-term capital appreciation and dividend income by investing primarily in companies located around the world. The portfolio invests primarily in common stocks and American Depositary Receipts (ADRs) that regularly pay dividends. Investments are selected based on higher relative dividend yields, dividend growth potential, and anticipated stock price appreciation. The Global Dividend Portfolio is subject to the following material risks:

- Currency Transactions: A security denominated in a foreign currency will fluctuate if there is a change in currency exchange rates or exchange control regulations, and adverse fluctuations will reduce the value of the portfolio's investments. Conversion between currencies can result in additional costs and conversion may be limited by certain foreign countries. Portfolio managers are authorized to hedge against currency risks but are not required to do so.

- Depositary Receipts: Investments in depositary receipts involve risks similar to those accompanying direct investments in foreign securities. In addition, there is risk involved in investing in unsponsored depositary receipts, as there may be less information available about the underlying issuer than there is about an issuer of sponsored depositary receipts and the prices of unsponsored depositary receipts may be more volatile than those of sponsored depositary receipts.

- Emerging Market and Frontier Market Securities: Emerging market and frontier market securities present greater investment risks than investing in the securities of U.S. companies. These risks include a greater likelihood of economic, political, or social instability, less liquid and more volatile stock markets, foreign exchange controls, a lack of government regulation and different legal systems, and immature economic structures.

- Equity Securities: The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the portfolio invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

- Foreign Securities: Foreign securities present greater investment risks than investing in the securities of U.S. companies. These risks include unstable political, social, and economic conditions, greater illiquidity and volatility, currency exchange rate fluctuations, foreign exchange controls, different laws and legal systems, and less availability of information about issuers.

- Overseas Exchanges: The portfolio may engage in transactions on a number of overseas stock exchanges, which may pose increased risk and result in delays in obtaining accurate information on the value of securities. In addition, the portfolio may engage in transactions in the stock markets of emerging market countries, which in general have stock markets that are less liquid, smaller, and less regulated than many of the developed country stock markets.

SmallMid Core Portfolio seeks to achieve above-average returns by constructing a style and sector diversified portfolio of small- and mid-sized company stocks. The portfolio invests in companies with earnings primarily focused on one business with reasonable valuations. The SmallMid Core Portfolio is subject to the following material risks:

- Equity Securities: The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the portfolio invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

- Foreign Securities: Foreign securities present greater investment risks than investing in the securities of U.S. companies. These risks include unstable political, social, and economic conditions, greater illiquidity and volatility, currency exchange rate fluctuations, foreign exchange controls, different laws and legal systems, and less availability of information about issuers.

- Small and Medium Capitalization Stocks: Investment in securities of smaller companies presents greater investment risks than investing in the securities of larger companies. These risks include greater price volatility, greater sensitivity to changing economic conditions, and less liquidity than the securities of larger, more mature companies.

<u>Balanced Management Portfolio</u>, which can be applied to the other strategies, seeks capital appreciation with less volatility by investing in stocks, bonds and money market instruments. The standard balanced portfolios are 60%/40% (stocks/bonds), with the equity portion of the portfolio varying within the range of 40%-80%. Specific allocation guidelines are established for each client. The Balanced Management Portfolio seeks to make timely shifts utilizing proprietary models and qualitative judgments. The Balanced Management Portfolio is subject to the following material risks:

- Equity Securities: The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the portfolio invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

- Debt Securities: Debt securities in which the portfolio may invest are subject to several types of investment risk, including market or interest rate risk (*i.e.,* the risk that their value will be affected by fluctuations in the prevailing interest rates), credit risk (*i.e.,* the risk that the issuer may be unable to make timely interest payments and repay the principal upon maturity), call or income risk, (*i.e.,* the risk that certain debt securities with high interest rates will be prepaid or "called" by the issuer before they mature), and event risk (*i.e.,* the risk that certain debt securities may suffer a substantial decline in credit quality and market value if the issuer restructures). If interest rates increase, the value of debt securities generally declines. Debt securities with longer durations tend to be more sensitive to changes in interest rates and more volatile than securities with shorter durations.

- Derivatives: The market value of the derivative instruments in which the portfolio may invest, including options, futures contracts, forward currency contracts, swap agreements, and other similar instruments, may be more volatile than that of other instruments. When investing in derivatives for hedging purposes, certain additional transaction costs may be accrued that may reduce the portfolio's performance. In addition, there can be no assurance given that each derivative position will achieve a perfect correlation with the security or currency against which it is being hedged, or that a particular derivative position will be available when sought by Forward Management.

- Government-Sponsored Enterprises ("GSEs"): Certain GSEs (such as Freddie Mac, Fannie Mae, and FHLB), although sponsored or chartered by the U.S. Government, are not funded by the U.S. Government and the securities they issue are not guaranteed by the U.S. Government. As a result, securities issued by GSEs carry greater credit risk than securities issued by the U.S. Treasury or government agencies that carry the full faith and credit of the U.S. Government.

- Liquidity: Liquidity risk is financial risk due to uncertain liquidity. An institution might lose liquidity for a variety of reasons. In addition, certain types of securities, such as derivative based securities and privately issued mortgage-related securities and other asset-backed securities without a government or government-sponsored guarantee, are subject to greater liquidity risk.

- Mortgage-Related and Other Asset-Backed Securities: Rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the portfolio may exhibit additional volatility (*i.e.*, extension risk). In addition, when interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the portfolio because the portfolio will have to reinvest that money at the lower prevailing interest rates (*i.e.*, prepayment risk). The portfolio's investments in asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets. Asset-backed securities present credit risks that are not presented by mortgage-backed securities because asset-backed securities generally do not have the benefit of a security interest in collateral that is comparable in quality to mortgage assets. If the issuer of an asset-backed security defaults on its payment obligations, there is the possibility that, in some cases, the portfolio will be unable to possess and sell the underlying collateral and that the portfolio's recoveries on repossessed collateral may not be available to support payments on the security. In the event of a default, the portfolio may suffer a loss if it cannot sell collateral quickly and receive the amount it is owed.

Fixed Income Portfolio seeks to add value through security and sector valuation analysis without depending on the uncertainty of interest rate forecasting. We believe that periodically repositioning a portfolio's emphasis toward those fixed income characteristics that will benefit most during certain phases of the business cycle can produce consistent performance. Part of this portfolio repositioning is an intensive look at earnings and revisions of earnings estimates by corporate bond issuers, with a view toward investing in companies that will improve their ability to service their debt in the future. This analysis is overlaid with a macro review of the current position in the business cycle. The Fixed Income Portfolio is subject to the following material risks:

- Debt Securities: Debt securities in which the portfolio may invest are subject to several types of investment risk, including market or interest rate risk (*i.e.,* the risk that their value will be affected by fluctuations in the prevailing interest rates), credit risk (*i.e.,* the risk that the issuer may be unable to make timely interest payments and repay the principal upon maturity), call or income risk, (*i.e.,* the risk that certain debt securities with high interest rates will be prepaid or "called" by the issuer before they mature), and event risk (*i.e.,* the risk that certain debt securities may suffer a substantial decline in credit quality and market value if the issuer restructures). If interest rates increase, the value of debt securities generally declines. Debt securities with longer durations tend to be more sensitive to changes in interest rates and more volatile than securities with shorter durations.

- Derivatives: The market value of the derivative instruments in which the portfolio may invest, including options, futures contracts, forward currency contracts, swap agreements, and other similar instruments, may be more volatile than that of other instruments. When investing in derivatives for hedging purposes, certain additional transaction costs may be accrued that may reduce the portfolio's performance. In addition, there can be no assurance given that each derivative position will achieve a perfect correlation with the security or currency against which it is being hedged, or that a particular derivative position will be available when sought by Forward Management.

- Government-Sponsored Enterprises ("GSEs"): Certain GSEs (such as Freddie Mac, Fannie Mae, and FHLB), although sponsored or chartered by the U.S. Government, are not funded by the U.S. Government and the securities they issue are not guaranteed by the U.S. Government. As a result, securities issued by GSEs carry greater credit risk than securities issued by the U.S. Treasury or government agencies that carry the full faith and credit of the U.S. Government.

- Liquidity: Liquidity risk is financial risk due to uncertain liquidity. An institution might lose liquidity for a variety of reasons. In addition, certain types of securities, such as derivative based securities and privately issued mortgage-related securities and other asset-backed securities without a government or government-sponsored guarantee, are subject to greater liquidity risk.

- Mortgage-Related and Other Asset-Backed Securities: Rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the portfolio may exhibit additional volatility (*i.e.*, extension risk). In addition, when interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the portfolio because the portfolio will have to reinvest that money at the lower prevailing interest rates (*i.e.*, prepayment risk). The portfolio's investments in asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets. Asset-backed securities present credit risks that are not presented by mortgage-backed securities because asset-backed securities generally do not have the benefit of a security interest in collateral that is comparable in quality to mortgage assets. If the issuer of an asset-backed security defaults on its payment obligations, there is the possibility that, in some cases, the portfolio will be unable to possess and sell the underlying collateral and that the portfolio's recoveries on repossessed collateral may not be available to support payments on the security. In the event of a default, the portfolio may suffer a loss if it cannot sell collateral quickly and receive the amount it is owed.

Tactical Growth Portfolio seeks to produce above-average, risk-adjusted returns, in any market environment, while exhibiting less downside volatility than the market itself. The portfolio is designed to evaluate potential long and short investments in an attempt to isolate those securities believed to be undervalued or overvalued relative to their intrinsic value and offer the greatest risk-adjusted potential for returns. The portfolio primarily invests in exchange-traded funds (ETFs) of securities and security indexes that represent long, short, levered long, or levered short positions in general asset classes of both U.S. and overseas equity markets. Accounts utilizing the Tactical Growth Portfolio will be sub-advised by Broadmark Asset Management, LLC, an SEC registered investment advisor. The Tactical Growth Portfolio is subject to the following material risks:

- Exchange-Traded Funds ("ETFs"): The risks associated with investing in the portfolio are closely related to the risks associated with the securities and other investments held by the ETFs in which the portfolio may invest. The value of the portfolio's investment will fluctuate in response to the performance of the ETFs owned, and investors in the portfolio will indirectly bear a proportionate share of the ETFs' operating expenses. References to the "portfolio" in the following risks include the portfolio or underlying ETF, as applicable.

- Borrowing: Borrowing for investment purposes creates leverage, which will exaggerate the effect of any increase or decrease in the market price of securities in the portfolio's portfolio and, therefore, may increase the volatility of the portfolio. Money borrowed will be subject to interest and other costs (that may include commitment fees and/or the cost of maintaining minimum average balances). These costs may exceed the gain on securities purchased with borrowed funds. Increased operating costs, including the financing cost associated with any leverage, may reduce the portfolio's total return. Unless the income and capital appreciation, if any, on securities acquired with borrowed funds exceed the cost of borrowing, the use of leverage will diminish the investment performance of the portfolio.

- Cash and Cash Equivalents: The holding by the portfolio of a substantial portion of its assets in cash and/or cash equivalents such as money market securities, U.S. government obligations, and short-term debt securities, which may occur under certain market conditions, could have a negative effect on the portfolio's ability to achieve its investment objective.

- Debt Securities: Debt securities in which the portfolio may invest are subject to several types of investment risk, including market or interest rate risk (*i.e.,* the risk that their value will be affected by fluctuations in the prevailing interest rates), credit risk (*i.e.,* the risk that the issuer may be unable to make timely interest payments and repay the principal upon maturity), call or income risk, (*i.e.,* the risk that certain debt securities with high interest rates will be prepaid or "called" by the issuer before they mature), and event risk (*i.e.,* the risk that certain debt securities may suffer a substantial decline in credit quality and market value if the issuer restructures). If interest rates increase, the value of debt securities generally declines. Debt securities with longer durations tend to be more sensitive to changes in interest rates and more volatile than securities with shorter durations.

- Emerging Market and Frontier Market Securities: Emerging market and frontier market securities present greater investment risks than investing in the securities of U.S. companies. These risks include a greater likelihood of economic, political, or social instability, less liquid and more volatile stock markets, foreign exchange controls, a lack of government regulation and different legal systems, and immature economic structures.

- Equity Securities: The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the portfolio invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

- Foreign Securities: Foreign securities present greater investment risks than investing in the securities of U.S. companies. These risks include unstable political, social, and economic conditions, greater illiquidity and volatility, currency exchange rate fluctuations, foreign exchange controls, different laws and legal systems, and less availability of information about issuers.

- Hedging: The portfolio's hedging activities, although designed to help offset negative movements in the markets for the portfolio's investments, will not always be successful. Moreover, hedging can cause the portfolio to lose money and can reduce the opportunity for gain.

- Portfolio Turnover: The portfolio is generally expected to engage in frequent and active trading of portfolio securities to achieve its investment objective. A higher turnover rate (100% or more) will involve correspondingly greater transaction costs, which will be borne directly by accounts, may have an adverse impact on performance, and may increase the potential for more taxable distributions being paid to shareholders, including income rates.

- Short Sales: While short sales can be used to further a portfolio's investment objective, under certain market conditions they can increase the volatility of the portfolio and may lower the portfolio's return or result in losses, which potentially may be unlimited. The portfolio may not be able to close out a short position at an acceptable time or price because it has to borrow the securities to effect the short sale and, if the lender demands that the securities be returned, the portfolio must deliver them promptly, either by borrowing from another lender or buying the securities in the open market. Because of the leveraging aspect of short selling (*i.e.,* borrowing securities for the purpose of selling them to another party), adverse changes in the value of securities sold short can result in losses greater than the proceeds obtained by the portfolio in the short sale, and may cause the value of accounts utilizing the portfolio to be volatile.

<u>Dynamic Sector Portfolio</u> seeks to produce above-average, risk-adjusted returns, in any market environment, while exhibiting less downside volatility than the market itself. The portfolio seeks to identify potential long and short investments through quantitative analysis of factors including broad market and market sector breadth, price movements, trends and volatility. The portfolio primarily invests in exchange-traded funds (ETFs) of securities, securities sectors, and security indexes that represent long, short, levered long, or levered short positions in sectors and general asset classes of both U.S. and overseas equity markets. The Dynamic Sector Portfolio is subject to the following material risks:

- Exchange-Traded Funds ("ETFs"): The risks associated with investing in the portfolio are closely related to the risks associated with the securities and other investments held by the ETFs in which the portfolio may invest. The value of the portfolio's investment will fluctuate in response to the performance of the ETFs owned, and investors in the portfolio will indirectly bear a proportionate share of the ETFs' operating expenses. References to the "portfolio" in the following risks include the portfolio or underlying ETF, as applicable.

- Cash and Cash Equivalents: The holding by the portfolio of a substantial portion of its assets in cash and/or cash equivalents such as money market securities, U.S. government obligations, and short-term debt securities, which may occur under certain market conditions, could have a negative effect on the portfolio's ability to achieve its investment objective.

- Debt Securities: Debt securities in which the portfolio may invest are subject to several types of investment risk, including market or interest rate risk (*i.e.,* the risk that their value will be affected by fluctuations in the prevailing interest rates), credit risk (*i.e.,* the risk that the issuer may be unable to make timely interest payments and repay the principal upon maturity), call or income risk, (*i.e.,* the risk that certain debt securities with high interest rates will be prepaid or "called" by the issuer before they mature), and event risk (*i.e.,* the risk that certain debt securities may suffer a substantial decline in credit quality and market value if the issuer restructures). If interest rates increase, the value of debt securities generally declines.

Debt securities with longer durations tend to be more sensitive to changes in interest rates and more volatile than securities with shorter durations.

- Emerging Market and Frontier Market Securities: Emerging market and frontier market securities present greater investment risks than investing in the securities of U.S. companies. These risks include a greater likelihood of economic, political, or social instability, less liquid and more volatile stock markets, foreign exchange controls, a lack of government regulation and different legal systems, and immature economic structures.

- Equity Securities: The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the portfolio invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

- Foreign Securities: Foreign securities present greater investment risks than investing in the securities of U.S. companies. These risks include unstable political, social, and economic conditions, greater illiquidity and volatility, currency exchange rate fluctuations, foreign exchange controls, different laws and legal systems, and less availability of information about issuers.

- Portfolio Turnover: The portfolio is generally expected to engage in frequent and active trading of portfolio securities to achieve its investment objective. A higher turnover rate (100% or more) will involve correspondingly greater transaction costs, which will be borne directly by accounts, may have an adverse impact on performance, and may increase the potential for more taxable distributions being paid to shareholders, including income rates.

Tactical Enhanced Portfolio seeks to produce above-average, risk-adjusted returns, in any market environment, while exhibiting less downside volatility than the market itself. The portfolio seeks to identify potential long and short investments through quantitative analysis of factors including market breadth, market price movements, market trends and market volatility. The portfolio primarily invests in exchange-traded funds (ETFs) of securities and security indexes that represent long, short, levered long, or levered short positions in general asset classes of both U.S. and overseas equity markets. The Tactical Enhanced Portfolio is subject to the following material risks:

- Exchange-Traded Funds ("ETFs"): The risks associated with investing in the portfolio are closely related to the risks associated with the securities and other investments held by the ETFs in which the portfolio may invest. The value of the portfolio's investment will fluctuate in response to the performance of the ETFs owned, and investors in the portfolio will indirectly bear a proportionate share of the ETFs' operating expenses. References to the "portfolio" in the following risks include the portfolio or underlying ETF, as applicable.

- Cash and Cash Equivalents: The holding by the portfolio of a substantial portion of its assets in cash and/or cash equivalents such as money market securities, U.S. government obligations, and short-term debt securities, which may occur under certain market conditions, could have a negative effect on the portfolio's ability to achieve its investment objective.

- Debt Securities: Debt securities in which the portfolio may invest are subject to several types of investment risk, including market or interest rate risk (*i.e.,* the risk that their value will be affected by fluctuations in the prevailing interest rates), credit risk (*i.e.,* the risk that the issuer may be unable to make timely interest payments and repay the principal upon maturity), call or income risk, (*i.e.,* the risk that certain debt securities with high interest rates will be prepaid or "called" by the issuer before they mature), and event risk (*i.e.,* the risk that certain debt securities may suffer a substantial decline in credit quality and market value if the issuer restructures). If interest rates increase, the value of debt securities generally declines.

Debt securities with longer durations tend to be more sensitive to changes in interest rates and more volatile than securities with shorter durations.

- Emerging Market and Frontier Market Securities: Emerging market and frontier market securities present greater investment risks than investing in the securities of U.S. companies. These risks include a greater likelihood of economic, political, or social instability, less liquid and more volatile stock markets, foreign exchange controls, a lack of government regulation and different legal systems, and immature economic structures.

- Equity Securities: The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the portfolio invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

- Foreign Securities: Foreign securities present greater investment risks than investing in the securities of U.S. companies. These risks include unstable political, social, and economic conditions, greater illiquidity and volatility, currency exchange rate fluctuations, foreign exchange controls, different laws and legal systems, and less availability of information about issuers.

- Portfolio Turnover: The portfolio is generally expected to engage in frequent and active trading of portfolio securities to achieve its investment objective. A higher turnover rate (100% or more) will involve correspondingly greater transaction costs, which will be borne directly by accounts, may have an adverse impact on performance, and may increase the potential for more taxable distributions being paid to shareholders, including income rates.

Portfolio Investment Risks

Not applicable. The material risks of particular portfolios are described above.

ITEM 9 – DISCIPLINARY INFORMATION

Not applicable.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registration as a Broker-Dealer or Registered Representative

Not applicable.

Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, or Associated Person

Forward Management is registered as a Commodity Pool Operator.

Material Relationships

Forward Management currently has certain relationships or arrangements that are considered to have a material influence on its advisory business. Below is a discussion of such relationships/arrangements and any conflicts that arise from them.

Broker-dealer, municipal securities dealer, or government securities dealer or broker

Forward Management is the sole owner of Forward Securities, LLC ("Forward Securities"), a registered broker-dealer. Forward Securities acts solely as the distributor for the Forward Funds. While this could pose a potential conflict of interest, any relationship between Forward Securities and Forward Funds will be subject to review and approval by the independent trustees of the Forward Funds.

Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)

See Item 7 above. Forward Management has a fiduciary duty to act in the best interest of each fund (Private Funds and Forward Funds) that it manages, and investors in each fund have the right to withdraw from that fund at any time subject to any lock-up period or other withdrawal limitations. However, investors in each Private Fund must understand that each Private Fund was formed as an investment product to be managed by Forward Management, and that Forward Management does not intend to cause any Private Fund to terminate its investment management relationship with Forward Management absent Forward Management's liquidation or bankruptcy.

In addition, neither Forward Management nor its related persons are obligated to allocate any specific amount of time or investment opportunities to a particular Private Fund or Forward Fund. Forward Management and its related persons intend to devote as much time as they deem necessary for the conduct of each Private Fund or Forward Fund's operation and portfolio management and will allocate investment opportunities in accordance with Forward Management's trade allocation policy.

Other investment advisor or financial planner

Forward Management owns a 33.74% interest in Legato Capital Management, LLC ("Legato"), a registered investment advisor. Forward Management does not provide any marketing or sales assistance to Legato; however, a conflict of interest may exist due to Forward Management's participation in the profits of Legato. Were Forward Management to direct client assets to products or strategies managed or advised by Legato, it could increase the profits received by Forward Management through its ownership interest in Legato, in addition to the fees already received directly from Forward Management's clients. To mitigate this potential conflict of interest, Forward Management does not recommend any products or services provided by Legato.

Forward Management owns a 33.42% interest in Broadmark Asset Management, LLC ("Broadmark"), a registered investment advisor and registered commodity trading advisor. Forward Management does not provide any marketing or sales assistance to Broadmark; however, a conflict of interest may exist due to Forward Management's participation in the profits of Broadmark. Were Forward Management to direct client assets to products or strategies managed or advised by Broadmark, it could increase the profits received by Forward Management through its ownership interest in Broadmark, in addition to the fees already received directly from Forward Management's clients. To mitigate this potential conflict of interest, Forward Management does not recommend any products or services provided by Broadmark other than funds/strategies provided by Forward Management and sub-advised by Broadmark.

Futures commission merchant, commodity pool operator, or commodity trading advisor

Please see discussion of relationship with Broadmark Asset Management, LLC above.

Banking or thrift institution

None.

Accountant or accounting firm

None.

Lawyer or law firm

None.

Insurance company or agency

None.

Pension consultant

None.

Real estate broker or dealer

None.

Sponsor or syndicator of limited partnerships

Forward Management or a related person of Forward Management is the general partner of the Private Funds that Forward Management manages. Please see response above regarding "other pooled investment vehicles."

Recommendation of Other Investment Advisors

Forward Management may receive compensation for introducing clients to other registered investment advisors. These arrangements may present a conflict of interest because they give Forward Management an incentive to recommend those advisors based on such compensation. In addition, Forward Management may have an ownership interest in those other registered investment advisors, and a conflict of interest may exist because of Forward Management's participation in the profits of those other advisors. To mitigate this potential conflict of interest, Forward Management will inform the prospective investors of these arrangements and will comply with Rule 206(4)-3 under the Investment Advisors Act of 1940, as amended.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

Code of Ethics

Forward Management has adopted a Code of Ethics that emphasizes its high standards of conduct. The Code of Ethics consists of certain core principles requiring, among other things, that employees: (1) at all times place the interests of clients first; (2) ensure that all personal securities transactions are conducted in such a manner as to avoid any actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility; (3) not take advantage of their positions inappropriately; and (4) at all times conduct themselves in a manner that is beyond reproach and that complies with all applicable laws and regulations.

In addition, the Code of Ethics requires Access Persons (as defined in the Code of Ethics) who are investment personnel to pre-clear certain personal transactions. It also requires Access Persons to report personal securities transactions on at least a quarterly basis and provide Forward Management with a detailed summary of certain holdings (both initially upon becoming an Access Person and annually thereafter) over which such Access Persons have a direct or indirect beneficial interest.

A copy of Forward Management's Code of Ethics will be provided to any client or prospective client upon request.

Participation or Interest in Client Transactions

Forward Management may solicit clients to invest in a Forward Fund, a Private Fund, or any other investment product sponsored or managed by Forward Management (each, a "Forward Product"). Because of the relationship between Forward Management and any Forward Product, Forward Management could be considered to have recommended the investment as suitable for an account client if such person should invest in the Forward Product. Forward Management will inform each account client of its relationship with a Forward Product prior to the client's investment, but does not intend to advise account clients as to the appropriateness of the investment and will not receive any compensation for doing so or for selling interests in a Forward Product (except to the extent that Forward Management receives management fees and performance-based fees from investors). See Item 14 regarding the compensation of certain of Forward Management's supervised persons with respect to the sale of Private Funds.

Personal Trading

Forward Management believes that if investment goals are similar for clients and for employees of Forward Management ("Employees"), it is logical and even desirable that there be common ownership of some securities. At the same time, Forward Management recognizes that there is a risk that Employees will compete with client accounts or otherwise engage in personal securities transactions at the expense of a client's interest. Neither Forward Management nor any Access Person is obligated to refrain from investing in securities held by the accounts that Forward Management manages except to the extent that such investments violate the Code of Ethics adopted by Forward Management. For purposes of this policy, an Employee's "personal account" generally includes any account (i) in the name of the Employee, his/her spouse, his/her minor children, or other dependents residing in the same household, (ii) for which the Employee is a trustee or executor, and (iii) the Employee controls, including Forward Management's client accounts that the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

Concurrent Trading Activity

Under Forward Management's Code of Ethics, employees who are investment personnel are generally barred from investing in securities that are being bought and sold by Forward Management for its client accounts. Forward Management effects this policy by maintaining an updated "restricted list" of such securities and requiring Access Persons who are investment employees to pre-clear personal securities transactions.

Treatment of Private Funds in which Forward Management and its Personnel have Significant Ownership Interests: At inception, Private Funds may consist almost entirely of proprietary assets and/or personal investments made by Access Persons ("Forward Management Investments"). Thus, investments for such Private Funds will be subject to the Code of Ethics' restrictions on personal securities transactions until such time as the value of the Forward Management Investments (exclusive of performance or incentive allocations) constitutes less than 25% of the value of the total beneficial interests of the Private Fund. Private Funds subject to these restrictions are referred to here as "Proprietary Funds." Transactions for a Proprietary Fund in securities that are being purchased for other clients will be executed only after transactions for such other clients have been executed, unless (i) the securities being purchased are available in sufficient quantity or the securities being sold can be sold simultaneously so as to satisfy all other client accounts and the Proprietary Fund simultaneously without materially impairing the value of the securities, and (ii) executing all such transactions concurrently is otherwise consistent with Forward Management's relevant policies and procedures and applicable law.

ITEM 12 – BROKERAGE PRACTICES

Selection of Broker-Dealers

Criteria for Selection of Broker-Dealers

Investment and Brokerage Decisions and Review: Investment and brokerage decisions for client accounts, to the extent such discretion has been granted to Forward Management, are made by Forward Management's portfolio managers and traders, with assistance from other relevant personnel. In placing brokerage for accounts with respect to which Forward Management has been granted brokerage discretion, Forward Management seeks to (1) determine each client's trading requirements, (2) select appropriate trading methods, venues, and agents to execute the trades under the circumstances, (3) evaluate market liquidity of each security and take appropriate steps to mitigate excessive market impact, to the extent practicable, (4) maintain client confidentiality and proprietary information inherent in the decision to trade, and (5) review the results of executions on a periodic basis.

At least quarterly, Forward Management's Best Execution Committee (the "Committee") meets to review Forward Management's trading practices, including the quality of executions received and commission rates paid by discretionary accounts, in order to determine what changes, if any, should be made in its brokerage arrangements. Forward Management's goal in this process is to exercise reasonable, good faith judgment in seeking to allocate trades to those broker-dealers or other trading venues that will consistently provide quality execution at acceptable cost. The following summarizes Forward Management's policies with respect to the exercise of investment and brokerage discretion on behalf of its relevant client accounts.

Selection Criteria for Brokers and Dealers: Forward Management places orders for the purchase or sale of securities with the primary objective of obtaining prompt execution of orders at the most favorable price, from responsible broker-dealers, and at competitive rates. Forward Management seeks to deal with broker-dealers that can meet a high standard of quality regarding execution services. The commission rates paid by Forward Management and the quality of execution received are reviewed by the Committee at its quarterly meetings.

In selecting brokers and dealers and in effecting portfolio transactions, Forward Management seeks to obtain the best combination of price and execution with respect to its accounts' portfolio transactions. The best net price, giving effect to brokerage commissions, spreads, and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. In applying these factors, Forward Management recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities and transactions.

The factors Forward Management considers may include, but are not limited to:

- Forward Management's knowledge of available commission rates and spreads;
- the nature of the security being traded;
- the size and type of the transaction;
- the nature and character of the markets for the security to be purchased or sold;
- the desired timing of the trade and speed of execution;
- the activity existing and expected in the market for the particular security;

- the broker-dealer’s access to primary markets and quotation sources;
- confidentiality;
- the execution, clearance and settlement capabilities as well as the reputation and perceived soundness of the broker-dealer selected and others that are considered;
- Forward Management’s knowledge of actual or apparent operational problems of any broker-dealer;
- the broker-dealer’s execution services rendered on a continuing basis and in other transactions;
- the broker-dealer’s reliability in executing trades, keeping records, and accounting for and correcting trade errors;
- the broker-dealer’s ability to accommodate Forward Management’s needs with respect to one or more trades, including willingness and ability to maintain a consistent quality of executions in unusual or volatile market conditions and, if necessary, to commit capital by taking positions in order to complete trades;
- the availability of the broker-dealer to stand ready to execute possible difficult transactions in the future;
- the quality of communication links between Forward Management and the broker-dealer;
- the quality of research and execution services provided by the broker-dealer; and
- the reasonableness of spreads or commissions.

When buying or selling securities in dealer markets, Forward Management may, subject to best execution, deal directly with market makers either on a commission basis or on a “net” basis, without paying the market maker any commission, commission equivalent, or markup/markdown other than the “spread.” “Net trades” means the market maker’s profits from the “spread,” that is, the difference between the price paid (or received) by Forward Management and the price received (or paid) by the market maker in trades with other broker-dealers or other customers.

Most NASDAQ securities are now traded on a commission basis as more and more market makers shift from principal to agency trading. As a result, Forward Management may execute over-the-counter trades on an agency basis rather than directly through a market maker. In these situations, the broker used by Forward Management then acquires or disposes of the security through a market maker. The transaction may thus be subject to a mark-up or mark-down in addition to any commission or commission equivalent paid to the broker. Forward Management uses a broker in such instances only when consistent with its duty to seek best execution. Use of a broker in this manner may benefit clients by providing anonymity in connection with a transaction or because the broker may, in certain cases, have greater expertise or capability in connection with both accessing the market and executing a transaction.

In appropriate circumstances, Forward Management may use an alternative execution venues such as Electronic Communications Networks (“ECNs”) or Alternative Trading Systems (“ATSs”) to effect over-the-counter trades when, in Forward Management’s judgment, the use of an ECN or ATS may result in equal or more favorable overall executions for the transactions. Forward Management will trade in this manner when it believes that any commissions paid to the ECN or ATS, when added to the price and considering all relevant circumstances, will still result in equal or better qualitative execution than what might otherwise have been attained by trading “net” with a market maker.

Commission Rates or Equivalents Policy: Forward Management endeavors to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. As noted above, Forward Management periodically reviews the quality of executions received from eligible broker-dealers that were available to execute client transactions when evaluating Forward Management's best execution efforts. Any broker-dealer that has provided (or may be reasonably expected to provide) acceptable performance and whose financial condition and commission rates are acceptable to Forward Management may be selected to execute transactions for client accounts.

However, Forward Management will not select broker-dealers solely on the basis of "posted" commission rates, nor does Forward Management always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Forward Management uses a number of different broker-dealers and may pay higher commission rates to those whose execution abilities, brokerage or research services, or other legitimate and appropriate services are particularly helpful in seeking good investment results for client accounts. Although Forward Management generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent.

As part of Forward Management's brokerage determinations, Forward Management recognizes that some brokerage firms are better at executing some types of orders than others. Thus, it may be in the best interests of Forward Management's clients to utilize a broker-dealer whose commission rates are not the lowest, but whose executions may result in lower overall transaction costs or other benefits to client accounts. Certain transactions may involve specialized services on the part of the broker-dealer selected, resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services. The overriding consideration in allocating client orders for execution is the attempt to maximize client profits (or minimize losses) through a combination of controlling transaction and securities costs and seeking the most effective uses of the broker-dealers' relevant capabilities. The reasonableness of commissions is based on a broker-dealer's ability to provide professional services, competitive commission rates, research, and other services that will help Forward Management in providing investment management services to its clients. Recognizing the value of these factors, Forward Management may pay a brokerage commission in excess of what another broker-dealer that offers no research services and minimal securities transaction assistance, might have charged for the same transaction. In this regard, Forward Management makes a good faith determination that the amount of commission is reasonable in relation to the value of the research and brokerage services provided, viewed in terms of either the specific transaction or Forward Management's overall responsibility to its clients. However, the extent to which commission rates or net prices charged by brokers reflect the value of these services often cannot be readily determined.

Research and Other Soft Dollar Benefits

Use of Soft Dollars: Forward Management may consider research and other services in making brokerage decisions and, as it deems appropriate, may use a portion of the commissions generated when executing client transactions (commonly referred to as "soft dollars") to acquire useful research and brokerage services ("soft dollar benefits") in a manner consistent with the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under the safe harbor, as it has been interpreted by the SEC, Forward Management may use soft dollars to pay for soft dollar benefits, even where such benefits may also be available for cash, to the extent appropriate and permitted by law, when such benefits assist Forward Management in meeting clients' investment objectives or in managing clients' accounts. Forward Management may have an incentive to select or recommend broker-dealers based on Forward Management's interest in receiving soft-dollar benefits, rather than on its interest in receiving the most favorable execution for its clients.

The use of soft dollars to receive research and services, benefits Forward Management by allowing Forward Management, at no cost to it, to (i) supplement and enhance its own research and analysis activities, (ii) receive the views and information of individuals and research staff of other securities firms, and (iii) gain access to persons having special expertise on certain companies, industries, areas of the economy, and market factors. Subject to

Forward Management's policies and procedures and the oversight of the Committee, Forward Management takes into account the value of permissible soft dollar benefits provided by a broker-dealer, as long as such consideration is not inconsistent with the objective of seeking best price and execution for client transactions, and clients may pay a higher commission to a broker-dealer in recognition of such soft dollar benefits than might otherwise be obtained in the absence of such considerations.

When appropriate under its discretionary authority and consistent with the duty to seek best execution, Forward Management may execute brokerage transactions for client accounts through broker-dealers who provide Forward Management with useful soft dollar benefits and may pay to those broker-dealers an amount or rate of commission that is higher than might have been paid absent the receipt of soft dollar benefits. Consistent with the safe harbor, in determining whether to pay up for a particular execution, Forward Management evaluates whether the product(s) or service(s) provided by the broker-dealer:

- (i) with respect to research items, consist of advice, analyses, or reports containing substantive content with respect to appropriate subject matter(s) or (ii) with respect to brokerage items, are sufficiently related to the effectuation, clearance, or settlement of a transaction and are provided and/or used during the time period commencing when Forward Management communicates with the relevant broker-dealer for the purpose of transmitting an order for execution and concluding when the funds or securities are delivered or credited to the account or the accountholder's agent; provide lawful and appropriate assistance to Forward Management in carrying out its relevant responsibilities to client accounts; and

- are acquired for an amount of soft dollars that is reasonable in relation to the value of the relevant soft dollar benefit(s).

These determinations are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. Such opinions are formed on the basis of, among other things, the experience of these individuals in the securities industry and information available to them concerning the level of commissions being paid by other investors of comparable size and type. Forward Management may select broker-dealers based on their assessment of each broker-dealer's ability to provide quality executions and their belief that the research, information, and other services provided by such broker-dealer may benefit client accounts. Often, it is not possible to place a dollar value on the quality of executions or on the soft dollar benefits Forward Management receives from broker-dealers effecting transactions in portfolio securities. Accordingly, broker-dealers selected by Forward Management may be paid commissions for effecting portfolio transactions for client accounts in excess of amounts other broker-dealers would have charged for effecting similar transactions, but only if Forward Management determines in good faith that such amounts are reasonable in relation to the value of the soft dollar benefits provided by those broker-dealers, viewed either in terms of a particular transaction or Forward Management's overall duty to discretionary accounts.

Forward Management may use soft dollars to pay for any specific service or for any portion of a "mixed use" benefit (*e.g.*, products or services that provide both research and non-research benefits). In such instances, and where a cash value is affixed to the service or benefit (whether by the broker-dealer, Forward Management or a third party), Forward Management may use soft dollars for the eligible portion and pay cash for the remainder. Although the allocation between soft dollars and cash is not always capable of precise calculation, Forward Management will make a good faith effort to make the allocation reasonably. Records of any such allocations and payments will be prepared and maintained by Forward Management. Additionally, where a cash value is affixed to a particular service or benefit, Forward Management may use available soft dollar credits and pay cash to make up any difference.

Some research services involve no undertaking on behalf of supervised accounts to give portfolio transaction business and are therefore regarded as "Street research services." Street research services include: (1) analyses of U.S. and foreign economies, markets, industries, and companies; (2) evaluations of securities and recommendations as to the purchase and sale of securities; (3) statistical and other services relating to portfolio securities; and (4) information and advisory services relative to the availability of securities in the bond and money markets. Forward Management evaluates broker-dealers in terms of the Street research services and transactional services they have provided, and this evaluation may be considered in the selection of broker-dealers for specific trades consistent with best price and execution. Although Forward Management may direct brokerage transactions to broker-dealers in recognition of such broker-dealers' provision of research services, Forward Management will not cause its accounts to purchase or sell more, or different, securities than would otherwise be the case. The dollar value to Forward Management of the Street research services is generally indeterminable. Forward Management may use a research service supplied by a broker-dealer for accounts that did not place the order with that broker-dealer. It is also possible that the account that places the order may not benefit directly from a particular research service.

Allocation of Soft-Dollar Research: Research obtained with soft dollars will not always be utilized by Forward Management for the specific account that generated the soft dollars. It should be noted that the value of many soft-dollar benefits cannot be measured precisely, and commissions paid for such services certainly cannot always be allocated to clients in direct proportion to the value of the services to each client. Because, as discussed below, Forward Management may batch client transactions, brokerage commissions attributable to one or more client accounts may be allocated to brokers who provide statistical data and other research used by Forward Management in managing the accounts of other clients, and vice versa, and Forward Management may use "step outs" to obtain soft-dollar benefits. A step out occurs when Forward Management directs a broker-dealer, who executes a trade, to allocate (or "step out") a portion of the trade to another broker-dealer for clearance and settlement. Forward Management primarily uses step-outs for block trades and believes that this practice assists in seeking best execution.

Although it is often inevitable (at least in the short run) that commissions paid by one account may, in effect, subsidize services that benefited another account, Forward Management does not usually attempt to allocate the relative costs or benefits of research or brokerage services among client accounts, as such cross-subsidies should balance out over time as Forward Management's various sources of research and brokerage services enable Forward Management generally to make better investment decisions and execute more effective trades. Forward Management believes that, in the aggregate, the services it receives benefit clients and assist Forward Management in fulfilling its overall duty to clients.

Forward Management may receive directives from certain clients to make a "best effort" attempt to transact business with a client-designated broker in consideration of services received solely by that client from the broker. In such instances, only the particular client's own soft dollars are used. Unless contrary written instructions are provided by the client, primary consideration is still given to seeking best execution of such transactions.

Types of Soft-Dollar Products and Services: Research services provided by a broker-dealer can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by a broker-dealer). Forward Management may use soft dollars to acquire either type of research and any permissible brokerage services.

Forward Management has received the following soft-dollar products and services during the last fiscal year:

- Foreign spot rates – fed through IDC (real time pricing of foreign securities)
- Bloomberg quotes, news, charts, analytics, etc. (access to real time data, news, and research)
- Access to sell side reports, analysis of company models, expectations, and estimates
- Real time NYSE, NASDAQ, OPRA, and TSX quotes
- Daily portfolio tracking, EP's and CF estimates (risk monitoring and stock screening)
- Foreign trade match/settlement services

- Stock research on trading timing and position sizing
- IDC pricing services
- Order management, modeling, allocations, etc.
- S&P benchmark data and analysis
- Russell benchmark data and analysis
- Economic projections for specific countries
- Boutique emerging markets research
- Boutique credit analysis research
- Macro economic, sector, industry and company specific indicators, charts and graphs
- Model station risk analytics and asset allocation analysis
- FTSE real estate benchmark information
- MSCI-GICS classification and real estate benchmark information
- Portfolio company news source
- Data for model station (Historic risk return data)
- Quarterly reports to measure friction costs associated with trading
- Comprehensive trading/market technical analysis useful in managing risk and sizing positions as well as entry and exit points
- Charting, fundamental data and stock metric screening tool
- Consulting regarding legal and regulatory issues facing portfolio companies
- Industry volume, sales and pricing data for portfolio companies

Directed Brokerage for Soft-Dollar Services: Forward Management will not enter into any agreement or understanding with a broker-dealer that would obligate Forward Management to direct a specific amount of brokerage transactions or commissions in return for such research (or brokerage) services. Nonetheless, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent. In some cases, Forward Management may enter into a commission sharing arrangement pursuant to which soft dollars generated are held in an account for the benefit of Forward Management, and credits from that account may be used to acquire soft-dollar items. Forward Management also may, but is not obligated to, pay cash for soft-dollar items.

Brokerage for Client Referrals

Forward Management does not enter into agreements with, or make commitments to, any broker-dealer that would bind Forward Management to compensate that broker-dealer, directly or indirectly, for client referrals (or sale of fund interests) through the placement of brokerage transactions.

Directed Brokerage

Generally, Forward Management is retained on a discretionary basis and is authorized to make the following determinations in accordance with the client's specified investment objectives without client consultation or consent before a transaction is effected: (i) the broker or dealer through whom securities are bought or sold; (ii) the commission rates at which securities transactions for client accounts are effected; and (iii) the prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

While Forward Management generally selects broker-dealers for discretionary accounts, Forward Management may accept, in limited instances, direction from clients as to which broker-dealer(s) should or must be used. Clients that, in whole or in part, direct Forward Management to use a particular broker-dealer to execute account transactions should be aware that, in doing so, they may adversely affect Forward Management's ability to seek best price and execution by, for example, negotiating commission rates or spreads, obtaining volume discounts on bunched orders, or executing over-the-counter stock transactions with the market makers for such securities.

In addition, as noted below, transactions for a client that directs brokerage may not be combined or "batched" for execution purposes with orders for the same securities for other accounts managed by Forward Management. In these instances, a client that has directed Forward Management to use a particular broker-dealer to execute its trades will generally have its trades placed after the batched trading activity for a particular security. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the batched order. Under these circumstances, the direction by a client of a particular broker-dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Forward Management could negotiate commission rates or spreads freely, or select broker-dealers based on best execution. Clients should understand that, by directing brokerage, they are limiting or removing Forward Management's discretion to select broker-dealers to execute their account transactions. Consequently, best price and execution may not be achieved by clients who have directed brokerage.

Occasionally, Forward Management may recommend to a Client that a specific broker or brokers be used, either for the account managed by Forward Management or for other brokerage services unrelated to the account under management. In these cases, the personal needs of the individual Client and the characteristics of the brokerage account or services are considered along with the criteria discussed above such as cost, execution capabilities and research, and other services that may be provided by the broker-dealer. Forward Management does not maintain agreements with any broker-dealer to receive "credit" for referrals or for the commissions generated by referred accounts.

Wrap Program Directed Brokerage: Forward Management may recommend to a Wrap Program Client that the relevant Wrap Sponsor be utilized for brokerage, as use of the Wrap Sponsor may achieve best execution due to certain lower negotiated fees (*i.e.,* brokerage fees are often included in the overall fee paid by Wrap Program Clients to the Wrap Sponsor and therefore no additional brokerage fees may be incurred when brokerage is directed to the Wrap Sponsor). Forward Management receives no additional compensation for such referrals and will only direct such brokerage where it achieves best price and execution, taking into account any lower fees due to the Wrap Program.

Aggregation of Orders (Batch Transactions)

Because the size and mandate of client accounts may differ, the securities held in such client accounts may not be identical. In appropriate circumstances, some accounts managed by Forward Management may purchase or sell a security prior to other accounts managed by Forward Management. This could occur, for example, as a result of the specific investment objectives of the client, different cash resources arising from contributions or withdrawals, or the purchase of a small position to assess the overall investment desirability of a security.

Transactions for each client account are generally effected independently. However, because accounts that are managed in similar styles often have similar or identical portfolio compositions or weightings, Forward Management may seek to acquire or dispose of the same securities for multiple accounts contemporaneously. When and to the extent consistent with each such client's investment advisory agreement and applicable law, Forward Management may, but is not required to "bunch" or batch together purchases or sales for several clients (including individual accounts, the Forward Funds, and any Private Funds) and allocate the trades, in a fair and equitable manner, across participating accounts in order to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution, or reducing overall commission charges. While Forward Management may effect trades in this manner to reduce the overall level of brokerage commissions paid or otherwise enhance the proceeds or other benefits of the trade for its clients, Forward Management may direct transactions to brokers based on both the broker's ability to provide high quality execution and the nature and quality of research services, if any, such brokers provide to Forward Management. As a result, Forward Management clients may not always pay the lowest available commission rates where their trades are effected in this manner, so long as Forward Management believes that they are nonetheless obtaining best price and execution under the circumstances and considering the soft dollar benefits provided.

Forward Management seeks to aggregate trade orders in a manner that is consistent with its duty to: (1) seek best execution of client orders; (2) treat all clients fairly and equitably, over time; and (3) not systematically advantage or disadvantage any client or group of clients. When a decision is made to aggregate transactions on behalf of more than one account, such transactions will be allocated to all participating accounts in a fair and equitable manner. When a bunched order is filled in its entirety, each participating account will participate at the average price paid or received, per share or unit, on that day for the bunched order, and share in any associated transaction costs, based upon the initial amount requested for the account (subject to certain size- or cost-related exceptions). When a bunched order is partially filled, Forward Management will allocate the order in accordance with its written aggregation and allocation procedures, described generally below.

Pro rata allocation is generally used when a batch order, which usually involves only non-directed accounts and seeks only liquid, actively traded securities, cannot be fully executed in a single day, unless the client has expressly directed otherwise. The partial fill is generally allocated among the participating client accounts based on the size of each account's original order, subject to rounding in order to achieve "round lots." Unexecuted orders will continue until the block order is completed or until all component orders have been cancelled. New orders for the same security will be aggregated with any remaining unexecuted orders and will continue in the same manner. Forward Management will generally apply a minimum order allocation amount of 100 shares, which may be adjusted based on market convention associated with the particular security. If the remaining positions are too small to satisfy the minimum order amount, Forward Management may decide to allocate the remaining shares to those accounts seeking large positions that were unfilled. Forward Management, may also decide to allocate remaining shares to those accounts whose orders would be completed as a result of the allocation subject to its *de minimis* policy.

While Forward Management will always try to allocate investment opportunities and the results of transactions *pro rata* in the first instance, Forward Management may allocate on a basis other than *pro rata*, if, under the circumstances, Forward Management believes that such other method of allocation is reasonable, does not result in improper or undisclosed advantage or disadvantage to participating accounts, and results in fair access, over time, to investment and trading opportunities for all eligible accounts managed by Forward Management. For example, Forward Management may identify investment opportunities that are appropriate for certain accounts but not others (or with respect to which relatively increased exposure is appropriate for one account or group of accounts over others) based on such factors as: investment objectives and style; risk/return parameters; legal, regulatory, and client requirements or restrictions; tax considerations; account size; sensitivity to turnover; and available cash and cash flows. Consequently, Forward Management may determine it is appropriate to place a given security in one account over another, or to allocate a security more heavily to a particular account over another. Forward Management may also invest in limited availability or thinly traded securities in which it may be unable to acquire substantial positions.

Forward Management may also consider cash flow changes (including available cash, redemptions, exchanges, capital additions, and capital withdrawals), which may provide a basis to deviate from a pre-established allocation as long as it does not result in an unfair advantage to specific accounts or types of accounts over time.

Forward Management generally will not aggregate trades for accounts of Wrap Program Clients or other clients over which Forward Management has limited brokerage discretion with those for Private Funds, the Forward Funds, or other client accounts Forward Management manages, to the extent that (i) such other clients have directed their brokerage to a particular broker-dealer or (ii) such Wrap Program Clients pay comprehensive fees that already include the costs of executing transactions through the Wrap Sponsor. Orders for wrap fee and directed brokerage clients will generally be aggregated only with other practicable orders relating to the same Wrap Program or designated broker-dealer and will be allocated in the manner described above, including the *pro rata* allocation if it would result in a partial fill for any account selected.

ITEM 13 – REVIEW OF ACCOUNTS

Registered Investment Companies and Private Funds

Each registered investment company portfolio and Private Fund is reviewed on an ongoing basis by a portfolio manager to assess whether changes are warranted based on the account's investment objectives, performance and outlook.

Managed Accounts and Wrap Program Accounts

Each Managed Account and Wrap Program Account is generally reviewed on a quarterly basis by an Investment operations employee. Reviews include an examination of each account's investment portfolio adherence, dispersion, and, if applicable, adherence to specific client restrictions.

Other than the periodic review of accounts described above, a review of individual Managed Accounts and Wrap Program Accounts will also be triggered by anomalies in the investment portfolio (*e.g.*¸ performance numbers do not look right for the portfolio or investigation shows that a share split in an ADR in the portfolio was incorrectly processed). Non-periodic reviews are generally not conducted for individual accounts.

Client Reports

Managed Accounts and Wrap Program Clients will receive reports from their respective qualified custodians no less than quarterly. Forward Management will provide annual transaction reports and tax information to these clients upon request.

Investors in registered investment companies receive such reports as required by the Investment Company Act.

Private Fund investors receive such reports as are provided for in the Private Fund's confidential private placement memorandum (or as otherwise negotiated with Forward Management). To comply with Rule 206(4)-2 under the Advisers Act, Private Fund financial statements will be prepared in accordance with GAAP and distributed to investors within 120 days after the end of the Private Fund's fiscal year. Generally, investors also receive quarterly reports containing information on the Private Fund's portfolio holdings, valuation of their interests in the Private Fund, and cash distributions. These reports may include or be accompanied by information with respect to the performance of the Private Fund, other information about the investor's capital account, and certain tax-reporting information (*e.g.*, Schedule K-1).

Model Portfolio clients and Asset Allocation clients will receive such reports as may be negotiated between the client and Forward Management.

Forward Management may rely on information provided by third parties in preparing reports, and a third party may assist in preparing or distributing reports. To the extent reports include or rely upon information from a source other than Forward Management (*e.g.*, benchmark information when a report includes a comparison of an account's performance to one or more benchmark indices), Forward Management attempts to obtain such information from reliable sources; however, the accuracy of such information cannot be guaranteed. Reports may also include or rely upon fair value determinations made by Forward Management or a third party. While such valuations are made in good faith, their actual or empirical accuracy cannot be guaranteed.

Forward Management, in its discretion, may provide more frequent reports and/or more detailed information to all or any of its clients.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Compensation By Non-Clients

Not applicable.

Compensation for Client Referrals

Forward Management may engage solicitors and other third parties to market Private Funds. Forward Management may reimburse such persons for some expenses incurred in connection with those activities, and will compensate them with a percentage of the assets raised, and/or advisory fees or profit allocations received by Forward Management or its affiliates with respect to investors referred by such persons. In some cases, a third-party firm will convey some or all of these payments to supervised persons of Forward Management who are also registered representatives of that firm. These arrangements present a conflict of interest in that they give such supervised persons an incentive to recommend Private Funds based on such compensation, rather than on investors' needs. To the extent required, Forward Management complies with Rule 206-4(3) under the Advisers Act.

ITEM 15 – CUSTODY

Private Funds

Forward Management will not maintain physical possession of the funds or securities of any Private Fund. Custody of the assets of a Private Fund will be maintained with a qualified custodian selected by Forward Management in its exclusive discretion, which selection may change from time to time without the consent of investors in the Private Fund. As described in Item 13 above, the qualified custodian will provide Private Fund investors with performance reports and account statements. Forward Management urges Private Fund investors to read these reports carefully and to compare any reports received from Forward Management against reports received from the qualified custodian.

Managed Accounts

Forward Management will not maintain possession or custody of the funds or securities that a client transfers to a Managed Account. The assets transferred by a client will typically be deposited with a qualified custodian selected in accordance with Forward Management's investment management agreement with the client. Under the investment management agreement, Forward Management may cause management fees to be paid out of the account by the qualified custodian. When it does so, Forward Management will send the custodian an invoice stating the fee and the calculation it was based on. The fees charged will be included in the statement sent to the client by the respective custodian. In addition, as described in Item 13 above, the qualified custodian will provide clients with performance reports and account statements. Managed Account investors should carefully read these reports and compare any reports received from Forward Management against reports received from the qualified custodian.

Wrap Programs

Forward Management will not maintain possession or custody of the funds or securities that a client transfers to a Wrap Program. The assets transferred by a client will typically be deposited with a qualified custodian selected in accordance with the Wrap Management Contract. Under the Wrap Management Contract, Forward Management may cause management fees to be paid out of the account by the qualified custodian. When it does so, Forward Management will send the custodian an invoice stating the fee and the calculation it was based on. The fees charged will be included in the statement sent to the client by the respective custodian. In addition, as described in Item 13 above, the qualified custodian will provide clients with performance reports and account statements. Wrap Program Clients should carefully read these reports and compare any reports received from Forward Management against reports received from the qualified custodian.

ITEM 16 – INVESTMENT DISCRETION

Typically, Forward Management is retained with respect to the Forward Funds, Managed Accounts, and Private Funds on a discretionary basis and is authorized to make the following determinations in accordance with the client's specified investment objectives without client consultation or consent before a transaction is effected: (a) which securities to buy or sell; (b) the total amount of securities to buy or sell; (c) the broker or dealer through whom securities are bought or sold; (d) the commission rates at which securities transactions for client accounts are effected; and (e) the prices at which securities are bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Forward Management's discretionary authority is derived from an irrevocable power of attorney granted by the investors in each account referenced above under such account's subscription agreement executed by each investor, and/or from an express grant of authority under each client's investment management agreement with Forward Management.

Clients may limit Forward Management's discretionary authority with respect to Managed Accounts. Forward Management may provide non-discretionary advice and may accept advisory accounts with limited discretion or where investments or brokerage arrangements are client-directed pursuant to an agreement between Forward Management and the client or pursuant to the contractual terms of the relevant Wrap Program. Please see Item 12 above.

ITEM 17 – VOTING CLIENT SECURITIES

Forward Management will vote proxies for securities held in client accounts as to which Forward Management has voting authority, either directly or indirectly. Indirect voting authority exists where Forward Management's voting authority is implied by a general delegation of investment authority, without reservation of proxy voting authority. Forward Management shall vote proxies for securities owned by or on behalf of a client in the client's best interests and without regard to the interests of Forward Management or any other client of Forward Management. Clients are permitted to place reasonable restrictions on Forward Management's voting authority in the same manner that they may place such restrictions on the actual selection of account securities.

Forward Management has contracted with Glass, Lewis & Co., LLC ("Glass Lewis") to handle the administration and voting of client proxies. Forward Management has directed Glass Lewis to vote all proxies in accordance with Glass Lewis' recommendations. Glass Lewis' proxy analysis is focused on the economic and financial consequences of voting and therefore on improving medium- to long-term value and mitigating risk at public companies. The firm's approach to enhancing overall corporate value growth through effective proxy voting is to look at each company individually and determine what is in the best interests of the shareholders of each particular company. In addition to corporate governance, Glass Lewis' research on proxies analyzes accounting, executive compensation, compliance with regulation and law, risks and risk disclosure, litigation, and other matters that reflect the quality of board oversight and company transparency.

Because Forward Management votes proxies in accordance with the recommendations of Glass Lewis, it is not expected that any material conflicts of interests will arise. However, if a material conflict of interest exists in a particular situation, Forward Management will disclose the conflict to the affected clients. In consultation with the clients, Forward Management will determine whether the clients will vote the proxies themselves or whether to address the voting issue through other means.

Additional information regarding proxy voting policies and procedures and/or information on votes cast can be obtained by contacting Forward Management.

ITEM 18 – FINANCIAL INFORMATION

Prepayment of Fees (Six or more months in advance)

Not applicable.

Impairment of Contractual Commitments

Not applicable.

Bankruptcy Petitions

Not applicable.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.

ITEM 20 – PRIVACY POLICY

Forward Management appreciates the privacy concerns and expectations of our clients. We are committed to maintaining a high level of privacy and confidentiality when it comes to your personal information and we use that information only where permitted by law. We recognize that, as our client, you not only entrust us with your money but with your personal information. Your trust is important to us and you can be sure we will continue our tradition of protecting your personal information. We provide this privacy notice to you so that you may understand our policy with regard to the collection and disclosure of nonpublic personal information ("Information") pertaining to you.

We collect the following categories of information about you:

- Information we receive from you on applications or other forms; and
- Information about your transactions with us, our affiliates, or others.

We do not disclose any Information about you or any current or former client to anyone, except as permitted by law. We may disclose Information about you and any former client to our affiliates and to nonaffiliated third parties, as permitted by law. We do not disclose personal information that we collect about you to non-affiliated companies except to enable them to provide marketing services on our behalf, to perform joint marketing agreements with other financial institutions, or in other limited circumstances permitted by law. For example, some instances where we may disclose Information about you to third parties include: for servicing and processing transactions, to protect against fraud, for institutional risk control, to respond to judicial process or to perform services on our behalf. When we share personal information about you with these companies, we require them to limit their use of the personal information to the particular purpose for which it was shared and we do not allow them to share your personal information with others except to fulfill that limited purpose. In addition, these companies are required to adhere to our privacy standards with respect to any personal information that we provide them.

Protecting the Security and Confidentiality of Your Information

We restrict access to Information about you to those employees who need to know that Information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to ensure the confidentiality of your Information. Our privacy policies apply only to those individual investors who have a direct client relationship with us. If you receive investment services through a relationship with a third-party broker, bank, investment adviser or other financial service provider, that third-party's privacy policies will apply to you and ours will not.

FORWARD
the new direction of investing

Brochure Supplement

Investment Portfolio / Fund	Portfolio Management Team
U.S. Dividend Portfolio Global Dividend Portfolio International Dividend Portfolio	David L. Ruff, CFA Randall T. Coleman, CFA Bruce R. Brewington Eric Sagmeister Paul Broughton, CFA
SmallMid Core Portfolio	Randall T. Coleman, CFA Paul Broughton, CFA
Fixed Income Portfolio	Paul Broughton, CFA
Tactical Growth Portfolio	Jim O'Donnell, CFA
Dynamic Sector Portfolio Tactical Enhanced Portfolio	Jim Welsh
Asset Allocation Services	Nathan J. Rowader David Janec
Forward Endurance Fund, L.P.	David Readerman, CFA Jim O'Donnell, CFA
Forward Asymmetry Global Healthcare Fund, L.P. Forward Asymmetry Global Healthcare (Offshore) Fund, Ltd. Forward Asymmetry Global Healthcare (Master) Fund, L.P.	Scott C. Kay

Forward Management, LLC
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San Francisco, CA 94111
415-869-6300
www.forwardinvesting.com
March 1, 2014

This brochure supplement provides information about the portfolio management teams listed above that supplements the Brochure of Forward Management, LLC ("Forward Management"). You should have received a copy of that Brochure. Please contact us at 415-869-6300 if you did not receive Forward Management's Brochure or if you have any questions about the content of this supplement.

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U.S. DIVIDEND PORTFOLIO
GLOBAL DIVIDEND PORTFOLIO
INTERNATIONAL DIVIDEND PORTFOLIO

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name: David L. Ruff, CFA
Year of Birth: 1962
Education: Iowa State University, B.S.
Business Background: Forward Management, Portfolio Manager, August 2008 to present
Berkeley Capital Management, Chief Investment Officer and Member of Investment Policy Committee, 2001 – July 2008
London Pacific Advisors, Chief Investment Officer and Executive Vice President, 1987 – 2001

Name: Randall T. Coleman, CFA
Year of Birth: 1963
Education: University of California Davis, B.A., American Graduate School of International Management, M.B.A.
Business Background: Forward Management, Portfolio Manager, August 2008 to present
Berkeley Capital Management, Portfolio Manager and Member of Investment Policy Committee, 2001 – July 2008
London Pacific Advisors, Vice President, 1994 – 2001
Intrust Investor Services, Compliance Officer, 1987 – 1988
First Investors Corp., Registered Representative, 1986 – 1987

Name: Bruce R. Brewington
Year of Birth: 1954
Education: University of Colorado, B.A., University of Notre Dame de Namur, M.B.A.
Business Background: Forward Management, Portfolio Manager, August 2008 to present
Berkeley Capital Management, Analyst and Member of Investment Policy Committee, 2005 – July 2008
Putnam Lovell Securities, Analyst, 1995 – 2003
Prudential Securities, Analyst, 1992 – 1994

Name: Eric Sagmeister
Year of Birth: 1970
Education: San Diego State University, B.A.
Business Background: Forward Management, Portfolio Manager, July 2013 to present
Nomura Securities International, Executive Director, European Equity Sales, 2009-June 2013
Merrill Lynch, Director, European Equity Sales, 2008-2009
Credit Suisse, Vice President, European Equity Sales, 2006-2008
Nicholas Applegate Capital Management, Investment Analyst, 2002-2006

Name: Paul Broughton, CFA
Year of Birth: 1964
Education: University of Kansas, B.S.
Business Background: Forward Management, Assistant Portfolio Manager, December 2010 to present
Sacramento Municipal Utility District, Senior Financial Analyst, January 2010 – November 2010
Pacific Capital Bancorp, Vice President and Investment Officer, March 2006 – January 2010
American Century Investments, Fixed Income Trader, July 2002 – February 2006; Senior Priority Investment Specialist, June 1997 – July 2002
State Street, Investment Accountant, March 1996 – May 1997

ITEM 3 – DISCIPLINARY INFORMATION

None.

ITEM 4 – OTHER BUSINESS ACTIVITIES

A. Investment-Related Activities

David L. Ruff and Eric Sagmeister are registered representatives of ALPS Distributors, Inc. ("ALPS Distributors"), which is registered as a broker-dealer with the Securities and Exchange Commission and the Financial Industry Regulatory Authority and is unaffiliated with Forward Management. ALPS Distributors provides distribution consulting services for the Forward Funds. Mr. Ruff and Mr. Sagmeister receive no compensation from ALPS Distributors.

Randall T. Coleman, Bruce R. Brewington and Paul Broughton are not currently engaged in any other investment-related activities.

B. Other Business Activities

None.

ITEM 5 – ADDITIONAL COMPENSATION

None.

ITEM 6 – SUPERVISION

Jim O'Donnell is responsible for supervising the advisory activities of David L. Ruff, Randall T. Coleman, Bruce R. Brewington, Eric Sagmeister and Paul Broughton and monitoring the investment advice that they provide to the clients of Forward Management. David L. Ruff, Randall T. Coleman, Bruce R. Brewington, Eric Sagmeister and Paul Broughton are required to comply with Forward Management's Code of Ethics, its compliance policies and procedures, and any other policies and procedures adopted by Forward Management from time to time. Jim O'Donnell is Forward Management's Chief Investment Officer and is available at 415-869-6300.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Not applicable.

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name:	Randall T. Coleman, CFA
Year of Birth:	1963
Education:	University of California Davis, B.A., American Graduate School of International Management, M.B.A.
Business Background:	Forward Management, Portfolio Manager, August 2008 to present Berkeley Capital Management, Portfolio Manager and Member of Investment Policy Committee, 2001 – July 2008 London Pacific Advisors, Vice President, 1994 – 2001 Intrust Investor Services, Compliance Officer, 1987 – 1988 First Investors Corp., Registered Representative, 1986 – 1987

Name:	Paul Broughton, CFA
Year of Birth:	1964
Education:	University of Kansas, B.S.
Business Background:	Forward Management, Assistant Portfolio Manager, December 2010 to present Sacramento Municipal Utility District, Senior Financial Analyst, January 2010 – November 2010 Pacific Capital Bancorp, Vice President and Investment Officer, March 2006 – January 2010 American Century Investments, Fixed Income Trader, July 2002 – February 2006; Senior Priority Investment Specialist, June 1997 – July 2002 State Street, Investment Accountant, March 1996 – May 1997

ITEM 3 – DISCIPLINARY INFORMATION

None.

ITEM 4 – OTHER BUSINESS ACTIVITIES

A. Investment-Related Activities

Randall T. Coleman and Paul Broughton are not currently engaged in any other investment-related activities.

B. Other Business Activities

None.

ITEM 5 – ADDITIONAL COMPENSATION

None.

ITEM 6 – SUPERVISION

Jim O'Donnell is responsible for supervising the advisory activities of Randall T. Coleman and Paul Broughton and monitoring the investment advice that they provide to the clients of Forward Management. Randall T. Coleman and Paul Broughton are required to comply with Forward Management's Code of Ethics, its compliance policies and procedures, and any other policies and procedures adopted by Forward Management from time to time. Jim O'Donnell is Forward Management's Chief Investment Officer and is available at 415-869-6300.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Not applicable.

FIXED INCOME PORTFOLIO

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name:	Paul Broughton, CFA
Year of Birth:	1964
Education:	University of Kansas, B.S.
Business Background:	Forward Management, Assistant Portfolio Manager, December 2010 to present Sacramento Municipal Utility District, Senior Financial Analyst, January 2010 – November 2010 Pacific Capital Bancorp, Vice President and Investment Officer, March 2006 – January 2010 American Century Investments, Fixed Income Trader, July 2002 – February 2006; Senior Priority Investment Specialist, June 1997 – July 2002 State Street, Investment Accountant, March 1996 – May 1997

ITEM 3 – DISCIPLINARY INFORMATION

None.

ITEM 4 – OTHER BUSINESS ACTIVITIES

A. Investment-Related Activities

Paul Broughton is not currently engaged in any other investment-related activities.

B. Other Business Activities

None.

ITEM 5 – ADDITIONAL COMPENSATION

None.

ITEM 6 – SUPERVISION

Jim O'Donnell is responsible for supervising the advisory activities of Paul Broughton and monitoring the investment advice that he provides to the clients of Forward Management. Paul Broughton is required to comply with Forward Management's Code of Ethics, its compliance policies and procedures, and any other policies and procedures adopted by Forward Management from time to time. Jim O'Donnell is Forward Management's Chief Investment Officer and is available at 415-869-6300.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Not applicable.

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name:	Jim O'Donnell, CFA
Year of Birth:	1959
Education:	Cornell University, B.S., University of San Diego, M.B.A
Business Background:	Forward Management, Chief Investment Officer, July 2006 to present Meisenbach Capital, Analyst, February 2004 – May 2006, September 2001 – October 2002 Rainmaker Alliance, Consultant, November 2002 – February 2004 Nicholas-Applegate Capital Management, Portfolio Manager, 1998 – 2001 Nicholas-Applegate Capital Management, Investment Officer, 1993 – 1997

ITEM 3 – DISCIPLINARY INFORMATION

None.

ITEM 4 – OTHER BUSINESS ACTIVITIES

A. Investment-Related Activities

None.

B. Other Business Activities

None.

ITEM 5 – ADDITIONAL COMPENSATION

None.

ITEM 6 – SUPERVISION

J. Alan Reid, Jr., is responsible for supervising the advisory activities of Jim O'Donnell and monitoring the investment advice that he provides to the clients of Forward Management. Jim O'Donnell **is** required to comply with Forward Management's Code of Ethics, its compliance policies and procedures, and any other policies and procedures adopted by Forward Management from time to time. J. Alan Reid, Jr. is Forward Management's Chief Executive Officer and is available at 415-869-6300.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Not applicable.

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name:	Jim Welsh
Year of Birth:	1950
Education:	St. Thomas University, B.A.
Business Background:	Forward Management, Portfolio Manager, June 2012 to present Morgan Stanley Smith Barney, Financial Advisor, June 2010 - May 2012 Welsh Money Management, Sole Proprietor, March 1991 - June 2010

ITEM 3 – DISCIPLINARY INFORMATION

None.

ITEM 4 – OTHER BUSINESS ACTIVITIES

A. Investment-Related Activities

Jim Welsh is a registered representative of ALPS Distributors, Inc. ("ALPS Distributors"), which is registered as a broker-dealer with the Securities and Exchange Commission and the Financial Industry Regulatory Authority and is unaffiliated with Forward Management. ALPS Distributors provides distribution consulting services for the Forward Funds. Mr. Welsh receives no compensation from ALPS Distributors.

B. Other Business Activities

None.

ITEM 5 – ADDITIONAL COMPENSATION

None.

ITEM 6 – SUPERVISION

Jim O'Donnell is responsible for supervising the advisory activities of Jim Welsh and monitoring the investment advice that he provides to the clients of Forward Management. Jim Welsh **is** required to comply with Forward Management's Code of Ethics, its compliance policies and procedures, and any other policies and procedures adopted by Forward Management from time to time. Jim O'Donnell is Forward Management's Chief Investment Officer and is available at 415-869-6300.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Not applicable.

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name: Nathan J. Rowader
Year of Birth: 1978
Education: University of Phoenix, B.A., University of Colorado, M.B.A.
Business Background: Forward Management, Director of Investments, September 2008 to present
Accessor Capital Management, Chief Investment Officer, February 2008 – August 2008; Senior Investment Officer, December 2007 – January 2008; Investment Officer, February 2007 – November 2007
OppenheimerFunds, Risk Management Analyst, 2005 – February 2007; Fund Analyst, 2004 – 2005
Linsco/Private Ledger, Financial Consultant, 2003 – 2004
WallStreetOnDemand, Senior Project Manager, 1998 – 2003

Name: David Janec
Year of Birth: 1980
Education: Skidmore College, B.A.
Business Background: Forward Management, Assistant Portfolio Manager, January 2014 to present; Investment Specialist, 2011-2014; Investment Analyst, September 2008-2011
Accessor Capital Management, Junior Investment Analyst and Operations Analyst, 2007-September 2008
E*Trade, Operations Associate, 2004-2006

ITEM 3 – DISCIPLINARY INFORMATION

None.

ITEM 4 – OTHER BUSINESS ACTIVITIES

A. Investment-Related Activities

Nathan J. Rowader and David Janec are registered representatives of ALPS Distributors, Inc. ("ALPS Distributors"), which is registered as a broker-dealer with the Securities and Exchange Commission and the Financial Industry Regulatory Authority and is unaffiliated with Forward Management. ALPS Distributors provides distribution consulting services for the Forward Funds. Mr. Rowader and Mr. Janec receive no compensation from ALPS Distributors.

B. Other Business Activities

None.

ITEM 5 – ADDITIONAL COMPENSATION

None.

ITEM6 – SUPERVISION

Jim O'Donnell is responsible for supervising the advisory activities of Nathan J. Rowader and David Janec and monitoring the investment advice that they provide to the clients of Forward Management. Nathan J. Rowader and David Janec are required to comply with Forward Management's Code of Ethics, its compliance policies and procedures, and any other policies and procedures adopted by Forward Management from time to time. Jim O'Donnell is Forward Management's Chief Investment Officer and is available at 415-869-6300.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

None.

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name:	David Readerman, CFA
Year of Birth:	1956
Education:	Colgate University, B.A., New York University, M.B.A.
Business Background:	Forward Management, Portfolio Manager, December 2010 to present Marsico Capital Management, Senior Vice President of Investment Research, July 2003 – February 2010 Thomas Weisel Partners, Founding Partner and Equity Growth Strategist, December 1999 – June 2003 Montgomery Securities, Partner and Lead Equity Research Analyst, Software & Internet, 1992 – December 1999 Lehman Brothers, Equity Research Analyst, Software & Data Services, 1987 – 1992 Smith Barney, Equity Research Analyst, Software & Data Services, 1983 – 1987

Name:	Jim O'Donnell, CFA
Year of Birth:	1959
Education:	Cornell University, B.S., University of San Diego, M.B.A
Business Background:	Forward Management, LLC, Chief Investment Officer, July 2006 to present Meisenbach Capital, Analyst, February 2004 – May 2006, September 2001 – October 2002 Rainmaker Alliance, Consultant, November 2002 – February 2004 Nicholas-Applegate Capital Management, Portfolio Manager, 1998 – 2001 Nicholas-Applegate Capital Management, Investment Officer, 1993 – 1997

ITEM 3 – DISCIPLINARY INFORMATION

None.

ITEM 4 – OTHER BUSINESS ACTIVITIES

A. Investment-Related Activities

David Readerman and Jim O'Donnell are not currently engaged in any other investment-related activities.

B. Other Business Activities

None.

ITEM 5 – ADDITIONAL COMPENSATION

None.

ITEM 6 – SUPERVISION

Jim O'Donnell, Forward Management's Chief Investment Officer, is responsible for supervising the advisory activities of David Readerman and monitoring the investment advice that he provides to the clients of Forward Management. J. Alan Reid, Jr., Forward Management's Chief Executive Officer, is responsible for supervising the advisory activities of Jim O'Donnell and monitoring the investment advice that he provides to the clients of Forward Management. David Readerman and Jim O'Donnell are required to comply with Forward Management's Code of Ethics, its compliance policies and procedures, and any other policies and procedures adopted by Forward Management from time to time. Mr. O'Donnell and Mr. Reid are available at 415-869-6300.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Not applicable.

FORWARD ASYMMETRY GLOBAL HEALTHCARE FUND, L.P.
FORWARD ASYMMETRY GLOBAL HEALTHCARE (OFFSHORE) FUND, LTD.
FORWARD ASYMMETRY GLOBAL HEALTHCARE (MASTER) FUND, L.P.

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name:	Scott C. Kay
Year of Birth:	1968
Education:	State University of New York at Oswego, B.S. Marketing
Business Background:	Forward Management, Portfolio Manager, October 2012 to present Partner Fund Management, L.P., Founding Partner, Therapeutics Sector Head, 2004-2011 Andor Capital Management, LLC, Global Pharmaceutical Research Analyst, 2003-2004 Banc of America Securities, LLC, Senior Global Pharmaceuticals Analyst & Research Associate, 2000-2003 Pfizer, Inc., Marketing and Sales Operations, 1992-2000

ITEM 3 – DISCIPLINARY INFORMATION

None.

ITEM 4 – OTHER BUSINESS ACTIVITIES

A. Investment-Related Activities

Scott C. Kay, along with Forward Management, co-owns the general partner of Forward Asymmetry Global Healthcare Fund, L.P. and Forward Asymmetry Global Healthcare (Master) Fund, L.P.

B. Other Business Activities

None.

ITEM 5 – ADDITIONAL COMPENSATION

None.

ITEM 6 – SUPERVISION

Jim O'Donnell is responsible for supervising the advisory activities of Scott C. Kay and monitoring the investment advice that he provides to the clients of Forward Management. Scott C. Kay is required to comply with Forward Management's Code of Ethics, its compliance policies and procedures, and any other policies and procedures adopted by Forward Management from time to time. Jim O'Donnell is Forward Management's Chief Investment Officer and is available at 415-869-6300.

ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Not applicable.

EXPLANATION OF CFA DESIGNATION

Certain members of the portfolio management teams have a CFA designation following their names. The Chartered Financial Analyst ("CFA") designation is awarded by the CFA Institute, a global not-for-profit association of investment professionals. The requirements for the CFA designation include: (i) four years of qualified, professional work experience in an investment decision-making process, (ii) completion of the CFA Program, including a series of exams on the following topics: Portfolio Management and Analysis, Quantitative Methods, Economics, Financial Reporting and Analysis, Corporate Finance, Equity Investments, Fixed Income Investments, Alternative Investments, and Derivatives; (iii) pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on a annual basis; and (iv) become a member of the CFA Institute and a local CFA member society. "CFA" and "Chartered Financial Analyst" are trademarks owned by the CFA Institute.