

April 2008

Forward International Equity Fund*Sub-Advised by Pictet Asset Management, Ltd.*

Performance as of March 31, 2008	1Q08	YTD	1 Year	3 Year	5 Year	Since Inception*	Gross/Net [†] Expenses
Forward International Equity Fund—Investor	-11.75%	-11.75%	-5.58%	16.39%	21.68%	7.87%	1.59%/1.34%
MSCI All Country World Index ex-U.S. w/ dividends	-9.06%	-9.06%	2.58%	16.49%	24.04%	10.14%	
MSCI All Country World Index ex-U.S. w/o dividends	-9.70%	-9.70%	-0.21%	13.39%	20.76%	7.64%	

Returns for periods greater than one year are annualized.

*10/01/98

[†]The Fund's investment advisor has contractually agreed to waive a portion of its fees and reimburse other expenses until April 30, 2009, in amounts necessary to limit the Fund's operating expenses (exclusive of brokerage costs, interest, taxes, dividends and extraordinary expenses) for the Investor Class shares to an annual rate (as a percentage of the Fund's average daily net assets) of 1.34%.

Prior to September 1, 2005, the Forward International Equity Fund was managed by different sub-advisors, using different strategies. Performance figures shown for periods before that time do not reflect the current sub-advisor's performance or strategy.

The performance quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance quoted. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. The returns assume reinvestment of dividends and distributions, if any. Performance current to the most recent month-end may be obtained at www.forwardfunds.com or by calling (800) 999-6809.

MARKET REVIEW

After a dismal first quarter, global equity markets staged a rebound in April. An accommodating monetary policy coupled with announcements of rights issues in the financial sector sparked hopes that the wider financial sector may be reaching a turning point. Energy and materials sectors buoyed by rising commodity prices were the best-performing sectors while defensive sectors were the subject of profit taking.

PERFORMANCE ANALYSIS

The portfolio outperformed the benchmark over the period, with stock selection being the main positive contributor. A number of our holdings benefited from potential bid approaches (Macarthur Coal, Raymarine) and tender offers (Hypo Real Estate, Orascom). Other positive contributors included Sumitomo Realty, Raiffeisen International, Societe Generale and Sumitomo Heavy.

PORTFOLIO ACTIVITY: OVERWEIGHTINGS AND UNDERWEIGHTINGS

During April, we sold LG Electronics after it reached our fair value and after strong gains, we reduced our holdings in Kloeckner and Raiffeisen International.

MARKET OUTLOOK

The outlook for economic growth has certainly deteriorated over the last few months and as such corporate profitability remains at risk. Whilst a more accommodative monetary policy will not be a panacea for equity markets, they seem to have discounted a significant deterioration of future profitability. Current levels offer selective opportunities but volatility is likely to remain high in the coming months.

PORTFOLIO STRATEGY

At a sector level, we are maintaining the investment strategy we have adopted in the past few months, focusing on companies that have a strong business model, whose earnings power is less at risk and that present a compelling valuation. As a result, we maintain our underweight in some defensive sectors like health care and consumer staples and more cyclical sectors like materials. On the other side, the financials, industrials and consumer discretionary sectors feature strongly in the portfolio as they offer considerable scope for growth and multiple appreciations.

The MSCI All Country World Index ex-U.S. is a free float-adjusted market capitalization index, designed to measure equity market performance in the global developed and emerging markets, excluding the United States. Prior to May 1, 2007, the benchmark was not adjusted to reflect the reinvestment of dividends. The index figures do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an index.

Investing in foreign securities, especially emerging markets, will involve certain additional risks, including exchange rate fluctuation, social and political instability, less liquidity, greater volatility and less regulation.

You should consider the investment objectives, risks, charges and expenses carefully before investing. A prospectus with this and other information about the Fund may be obtained by calling (800) 999-6809 or by downloading one from www.forwardfunds.com. It should be read carefully before investing.

Forward Funds are distributed by ALPS Distributors, Inc.

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As of April 30, 2008, the Fund held the following positions in the portfolio (These holdings may not reflect the current or future positions in the portfolio. Portfolio holdings are subject to change.):

Forward International Equity Fund

As of 04/30/2008

Security ID	Ticker	Security Name	# of		Market Price	Market Value	% of Total Net Assets	Currency Code
			Shares					
4232445	UCG IM	UniCredit SpA	264,212		7.54	\$ 1,991,233	2.60%	EUR
4253372	DANR IM	Danieli & Co., SpA, Non-Voting Shares	78,272		23.56	1,843,791	2.41%	EUR
B0704T9	RIBH AV	Raiffeisen International Bank Holding AG	11,182		160.66	1,796,493	2.35%	EUR
B15C557	FP FP	Total SA	21,032		83.77	1,761,768	2.30%	EUR
5966516	GLE FP	Societe Generale	14,550		116.16	1,690,195	2.21%	EUR
5705946	SAN SM	Banco Santander SA	73,950		21.63	1,599,250	2.09%	EUR
B09CBL4	RDSA NA	Royal Dutch Shell Plc, Class A	39,136		40.08	1,568,593	2.05%	GBP
B1Z9G88	BP IM	Banco Popolare Scarl	72,256		19.73	1,425,443	1.86%	EUR
6472119	JM SP	Jardine Matheson Holdings, Ltd.	45,000		30.81	1,386,252	1.81%	USD
5983816	ZURN VX	Zurich Financial Services AG	4,441		303.07	1,345,934	1.76%	CHF
7681248	HRX GR	Hypo Real Estate Holding AG	36,681		36.69	1,345,833	1.76%	EUR
5975998	FSAR IM	Fondiarria-Sai SpA	50,213		26.40	1,325,690	1.73%	EUR
48666V204	KMG LI	KazMunaiGas Exploration & Production, GDR	44,870		29.24	1,311,783	1.71%	USD
879382109	TEF SM	Telefonica SA	43,558		28.73	1,251,635	1.64%	EUR
B1WHV3	BAER VX	Julius Baer Holding, Ltd.	16,766		73.31	1,229,170	1.61%	CHF
B1KJJ40	WTB LN	Whitbread Plc	50,568		24.00	1,213,566	1.59%	GBP
5738298	SOL SM	Sol Melia SA	82,199		13.97	1,148,563	1.50%	EUR
464286509	EWC	iShares MSCI Canada Index Fund	34,356		32.46	1,115,196	1.46%	USD
3121522	CCL LN	Carnival Plc	28,075		39.10	1,097,791	1.43%	GBP
0632016	IPR LN	International Power Plc	119,981		8.68	1,040,858	1.36%	GBP
5231485	ALV GR	Allianz SE	5,081		202.71	1,029,979	1.35%	EUR
5529027	DAI GR	Daimler AG	13,159		77.66	1,021,969	1.34%	EUR
5129074	FME GR	Fresenius Medical Care AG & Co.	19,034		52.92	1,007,212	1.32%	EUR
4262118	DELB BB	Delhaize Group	11,642		86.26	1,004,205	1.31%	EUR
B0NJJ17	EDF FP	Electricite de France	9,556		104.52	998,810	1.30%	EUR
4916039	AF FP	Air France-KLM	31,882		30.91	985,553	1.29%	EUR
B151P43	MTGB SS	Modern Times Group AB, Class B	13,375		73.02	976,689	1.28%	SEK
4625959	ETE GA	National Bank of Greece SA	17,249		55.00	948,772	1.24%	EUR
0278799	TAN LN	Tanfield Group Plc	529,213		1.78	943,753	1.23%	GBP
7110388	ROG VX	Roche Holding AG	5,653		165.48	935,437	1.22%	CHF
6596729	8802 JP	Mitsubishi Estate Co., Ltd.	32,000		29.08	930,620	1.22%	JPY
CFR VX	CFR VX	Compagnie Financiere Richemont SA	15,298		60.12	919,665	1.20%	CHF
68554W205	OTLD LI	Orascom Telecom Holding SAE, GDR, Registered Shares	12,348		74.47	919,564	1.20%	USD
B09M9D2	KNEBV FH	Kone Oyj	23,432		39.12	916,666	1.20%	EUR
7376544	AST IM	Astaldi SpA	109,004		8.35	910,474	1.19%	EUR
6597302	8031 JP	Mitsui & Co., Ltd.	38,000		23.49	892,467	1.17%	JPY
B03MND6	AKGRT TI	Aksigorta AS	164,327		5.00	821,326	1.07%	TRL
4732495	TEL NO	Telenor ASA	40,497		20.04	811,623	1.06%	NOK
6858731	6302 JP	Sumitomo Heavy Industries, Ltd.	94,000		8.45	794,096	1.04%	JPY
B02L486	MHG NO	Marine Harvest	1,180,166		0.66	774,533	1.01%	NOK
6429405	6305 JP	Hitachi Construction Machinery Co., Ltd.	24,200		31.59	764,445	1.00%	JPY
4617859	DPW GY	Deutsche Post AG	24,217		31.07	752,533	0.98%	EUR

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As of 04/30/2008

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6858902	8830 JP	Sumitomo Realty & Development Co., Ltd.	30,000	25.07	751,978	0.98%	JPY
B170DQ6	KCO GR	Kloeckner & Co., AG	13,647	54.60	745,069	0.97%	EUR
4149545	BSAN SW	Bank Sarasin & Co., Ltd., AG	161	4,570.84	735,906	0.96%	CHF
B0Z32G3	MRZ IM	Marazzi Group SpA	81,960	7.98	653,922	0.85%	EUR
B02PY22	ST SP	Singapore Telecommunications, Ltd.	228,000	2.86	651,104	0.85%	SGD
6467104	7202 JP	Isuzu Motors, Ltd.	133,000	4.84	644,298	0.84%	JPY
6044284	5977 JP	Sumco Techxiv Corp.	21,100	30.50	643,473	0.84%	JPY
67812M207	ROSN LI	Rosneft Oil Co., GDR	65,000	9.73	632,587	0.83%	USD
6467803	8001 JP	ITOCU Corp.	60,000	10.47	628,410	0.82%	JPY
5077946	MS IM	Mediaset SpA	67,306	9.09	611,653	0.80%	EUR
71654V101	PBR/A	Petroleo Brasileiro SA, ADR	6,001	101.10	606,701	0.79%	USD
B09YFD0	SAFT FP	Saft Groupe SA	15,477	38.55	596,593	0.78%	EUR
B291WY5	DPW DU	DP World, Ltd.	545,194	1.05	572,454	0.75%	USD
5756029	BMW GY	Bayerische Motoren Werke AG	10,395	54.41	565,573	0.74%	EUR
6057680	ASP MK	Asiatic Development Bhd	218,600	2.59	565,184	0.74%	MYR
B234SL9	EN IM	Enia SpA	39,956	13.97	558,266	0.73%	EUR
6190273	1 HK	Cheung Kong Holdings, Ltd.	34,335	15.62	536,292	0.70%	HKD
0802541	SHI LN	SIG Plc	35,855	14.87	533,205	0.70%	GBP
867229106	SU	Suncor Energy, Inc. (U.S. Dollars)	4,687	112.69	528,178	0.69%	USD
6869937	1101 TT	Taiwan Cement Corp.	325,000	1.62	527,210	0.69%	TWD
6077019	BBL/F TB	Bangkok Bank Public Co., Ltd.	110,700	4.41	488,430	0.64%	THB
3404171	OIL LN	Oilexco, Inc.	32,097	15.19	487,499	0.64%	GBP
92855S101	VIV	Vivo Participacoes SA, ADR	71,187	6.75	480,512	0.63%	USD
6744294	8795 JP	T&D Holdings, Inc.	7,500	64.05	480,358	0.63%	JPY
90458E107	UBB	Unibanco-Uniao de Bancos Brasileiros SA, GDR	3,303	145.41	480,289	0.63%	USD
6251448	8601 JP	Daiwa Securities Group, Inc.	48,000	9.92	476,234	0.62%	JPY
6563024	8316 JP	Sumitomo Mitsui Financial Group, Inc.	55	8,605.40	473,297	0.62%	JPY
6458001	ORI AU	Orica, Ltd.	17,173	27.42	470,851	0.62%	AUD
6700393	1216 TT	Uni-President Enterprises Corp.	328,000	1.42	466,891	0.61%	TWD
40049J206	TV	Grupo Televisa SA, Sponsored ADR	18,558	24.68	458,011	0.60%	USD
B040K61	RAY LN	Raymarine Plc	70,964	6.42	455,649	0.60%	GBP
6486314	683 HK	Kerry Properties, Ltd.	65,946	6.77	446,487	0.58%	HKD
00652V102	AXC CN	Addax Petroleum Corp.	9,715	44.56	432,935	0.57%	CAD
B032D70	2332 HK	Hutchison Telecommunications International, Ltd.	296,000	1.40	413,948	0.54%	HKD
6155250	00081OKS	Samsung Fire & Marine Insurance Co., Ltd.	1,877	218.59	410,300	0.54%	KRW
20441W203	ABV	Companhia de Bebidas das Americas, ADR	5,464	73.30	400,511	0.51%	USD
6375003	MCC AU	MacArthur Coal, Ltd.	24,542	16.09	394,870	0.51%	AUD
6197928	CIT SP	City Developments, Ltd.	43,000	8.95	384,788	0.50%	SGD
6456102	4062 JT	Ibiden Co., Ltd.	8,500	43.64	370,918	0.48%	JPY
B1QNF48	IFAR SP	Indofood Agri Resources, Ltd.	208,896	1.75	365,077	0.48%	SGD
B03MNV4	AEFES TI	Anadolu Efes Biracilik Ve Malt Sanayii AS	40,002	9.05	362,076	0.47%	TRL
02364W105	AMX	America Movil SAB de CV	6,093	57.96	353,150	0.46%	USD
874039100	TSM	Taiwan Semiconductor Manufacturing Co., Ltd., Sponsored ADR	30,914	11.24	347,473	0.45%	USD

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Security ID	Ticker	Security Name	# of Shares	Market Price	Market Value	% of Total Net Assets	Currency Code
6055208	5201 JP	Asahi Glass Co., Ltd.	29,000	11.94	346,279	0.45%	JPY
6860769	SGW MK	Sunway Holdings Bhd	731,900	0.47	341,669	0.45%	MYR
B02ZK79	TLKM IJ	PT Telekomunikasi Indonesia	355,500	0.96	341,593	0.45%	IDR
0039446	SIA LN	SOCO International Plc	8,889	36.55	324,908	0.42%	GBP
6226576	857 HK	PetroChina Co., Ltd.	209,448	1.50	314,717	0.41%	HKD
191241108	KOF	Coca-Cola Femsa, SA de CV, Sponsored ADR	5,996	52.14	312,631	0.41%	USD
B28CWH2	BOVH3 BZ	Bovespa Holding SA	20,433	15.19	310,392	0.41%	BRL
B0CZZX0	DERM SM	Corporacion Dermoestetica SA	38,541	8.00	308,229	0.40%	EUR
6196152	267 HK	Citic Pacific, Ltd.	64,000	4.70	300,844	0.39%	HKD
6425663	2882 TT	Cathay Financial Holding Co., Ltd.	105,176	2.81	295,101	0.39%	TWD
856552203	SBID LI	State Bank of India, GDR	3,202	92.08	294,851	0.39%	USD
6486682	184 HK	Keck Seng Investments	456,000	0.58	263,940	0.34%	HKD
6055112	ALI PM	Ayala Land, Inc.	1,084,840	0.23	249,477	0.33%	PHP
B1YBF00	1813 HK	KWG Property Holding, Ltd.	213,000	1.04	222,379	0.29%	HKD
B1CKTY1	INRE LN	Invista Real Estate Investment Management Holdings Plc	180,964	1.20	217,543	0.28%	GBP
6914871	UGL AU	United Group, Ltd.	15,863	13.47	213,630	0.28%	AUD
B28PL63	CNTD SP	China New Town Development Co., Ltd.	726,354	0.18	133,535	0.17%	SGD
B01Y3S9	CFHS LI	Cathay Financial Holding Co., Ltd., GDR	4,688	28.13	131,872	0.17%	USD
B1FP891	BBA LN	BBA Aviation Plc	26,933	3.10	83,615	0.11%	GBP
867229957	SU CT	Suncor Energy, Inc. (Canadian Dollars)	593	112.85	66,919	0.09%	CAD
6985383	4503 JP	Astellas Pharma, Inc.	81	41.16	3,334	0.00%	JPY
		Net Cash & Cash Equivalents			722,558	0.94%	