

FORWARD FUNDS
Forward Select EM Dividend Fund
Plan of Liquidation

The following Plan of Liquidation (the “Plan”) of the Forward Select EM Dividend Fund (the “Fund”), a series of Forward Funds (the “Trust”), a trust organized and existing under the laws of the State of Delaware, and an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), is intended to accomplish the complete liquidation of the Fund in conformity with the laws of the State of Delaware, the 1940 Act, the Internal Revenue Code of 1986, as amended (the “Code”), and the Declaration of Trust and By-Laws of the Trust, each as amended.

WHEREAS, the Board of Trustees of the Trust (the “Board”), including all of the Trustees who are not “interested persons” of the Trust (as that term is defined in the 1940 Act), has determined that the continuation of the Fund would not be in the best interests of the Fund or its shareholders after considering the following factors: (1) the small asset size of the Fund and the continuing adverse effect on the Fund of its small asset size; (2) the terms and conditions of this proposed Plan; (3) any direct or indirect costs to be incurred by the Fund and its shareholders as a result of the proposed liquidation; and (4) that the costs specifically incurred as a result of the proposed liquidation and not covered by the Fund’s then existing accruals of the Fund’s normal and customary fees and expenses will be borne by the Fund; and

WHEREAS, the Board has determined that it is advisable and in the best interests of the Fund and its shareholders to (1) liquidate the Fund on or about December 15, 2015, or such other date as the officers of the Trust, in their discretion, may determine, with the advice of counsel, is necessary or desirable (the “Liquidation Date”) in order to preserve as much of the Fund’s assets as possible for distribution to the Fund’s then-current shareholders, and (2) adopt this Plan as the method of liquidating the Fund; and

WHEREAS, at a meeting duly called and held on September 22, 2015, the Board unanimously approved this Plan as being advisable and in the best interests of the Trust and the Fund and its shareholders, and adopted this Plan as the method of liquidating the Fund.

NOW, THEREFORE, the liquidation of the Fund shall be carried out in the manner hereinafter set forth:

1. *Effective Date of Plan.* This Plan shall become effective on October 30, 2015, hereinafter called the “Effective Date.”
2. *Liquidation.* Consistent with the provisions of this Plan, the Fund shall be liquidated on the Liquidation Date in accordance with the Trust’s Declaration of Trust and By-Laws, each as amended, and all applicable laws and regulations, including but not limited to Section 331 of the Code.
3. *Cessation of Business.* After the Effective Date, the Fund shall cease its business, sales of shares of the Fund shall cease upon the filing of a supplement to the Fund’s prospectus, and the Fund shall not engage in any business activities except for the purposes of winding up its business and affairs, preserving the value of its assets, and

distributing its remaining assets ratably among the shareholders of the outstanding shares of the Fund, in accordance with the provisions of this Plan, after discharging or making reasonable provision for the Fund's liabilities.

4. *Notice of Liquidation.* As soon as practicable after the Effective Date, the Fund shall provide notice to the appropriate parties that this Plan has been approved by the Board and that the Fund will be liquidating its assets.
5. *Liquidation of Assets and Payments of Debts.* On or before the Liquidation Date, the Fund shall: (i) convert all portfolio securities of the Fund to cash or cash equivalents; and (ii) pay, or make reasonable provision to pay, in full all claims and obligations, including, without limitation, all contingent, conditional or unmatured claims and obligations, known to the Fund and all claims and obligations which are known to the Fund but for which the identity of the claimant is unknown.
6. *Liquidating Distribution.* On the Liquidation Date, the Trust shall distribute pro rata to the Fund's shareholders of record as of the close of business on the business day preceding the Liquidation Date all of the remaining assets of the Fund in complete cancellation and redemption of all the outstanding shares of the Fund, except for cash, bank deposits or cash equivalents in an estimated amount necessary to (i) discharge any unpaid liabilities and obligations of the Fund on the Fund's books on the Liquidation Date, including, but not limited to, income dividends and capital gains distributions, if any, payable through the Liquidation Date, and (ii) pay such contingent liabilities as the Board shall reasonably deem to exist against the assets of the Fund on the Fund's books; *provided, however,* that the Fund may distribute cash liquidation proceeds to certain shareholders and may distribute portfolio securities in-kind to certain other shareholders in complete cancellation and redemption of all outstanding shares of the Fund consistent with policies and procedures adopted by the Fund relating to in-kind distributions of portfolio securities.
7. *Satisfaction of Federal Income and Excise Tax Distribution Requirements.* If necessary, the Fund shall, by the Liquidation Date, have declared and paid a dividend or dividends which, together with all previous such dividends, shall have the effect of distributing to the Fund's shareholders all of the Fund's investment company taxable income for the taxable years ending at or prior to the Liquidation Date (computed without regard to any deduction for dividends paid), and all of the Fund's net capital gain, if any, realized in the taxable years ending at or prior to the Liquidation Date (after reduction for any available capital loss carry-forward) and any additional amounts necessary to avoid any excise tax for such periods.
8. *Management and Expenses of the Fund Subsequent to the Liquidating Distribution.* The Fund shall bear the expenses incurred in carrying out this Plan including, but not limited to, brokerage expenses, printing, legal, accounting, custodian and transfer agency fees, and the expenses of reports to shareholders, whether or not the liquidation contemplated by this Plan is effected, provided that such accrued amounts are first applied to pay for the Fund's normal and customary fees and expenses.
9. *Receipt of Cash or Other Distributions After the Liquidation Date.* Following the Liquidation Date, if the Fund receives any form of cash or is entitled to any other distributions that it had not previously recorded on its books, such cash or other

distribution shall be disbursed *pro rata* to the shareholders of record of the Fund as of the Effective Date; provided, however, that the Fund shall not be required to disburse to its shareholders of record as of the Effective Date any cash or other distribution that the Treasurer of the Trust determines to be *de minimis* after taking into account all expenses associated with effecting the disposition thereof. Any cash or other distribution received by the Fund and determined to be *de minimis* shall be, at the discretion of the Treasurer of the Trust, either: (i) distributed proportionately among the remaining series of the Trust based on the net assets of each series; or (ii) donated to a charitable organization, to the extent consistent with law, rule or regulation.

10. *Power of the Board.* The Board, and subject to the authority of the Board, the officers, shall have the authority to do or authorize any acts and things as provided for in this Plan and as they may consider necessary or desirable to carry out the purposes of this Plan, including the execution and filing of certificates, tax returns and other papers. The death, resignation or disability of any Trustee or any officer of the Trust shall not impair the authority of the surviving or remaining Trustees or officers to exercise any of the powers provided for in this Plan.
11. *Amendment or Abandonment of Plan.* The Board shall have the authority to authorize variations from or amendments of the provisions of this Plan as may be necessary or appropriate to effect the liquidation of the Fund, and the distribution of its net assets to shareholders in accordance with the laws of the State of Delaware, the 1940 Act, the Code, and the Declaration of Trust and By-Laws of the Trust, if the Board determines that such action would be advisable and in the best interests of the Trust and the Fund and its shareholders. If any amendment or modification appears necessary and in the judgment of the Board will materially and adversely affect the interests of the Fund shareholders, Fund shareholders will be given prompt and timely notice of such an amendment or modification. In addition, the Board may abandon this Plan at any time if it determines that abandonment would be advisable and in the best interests of the Trust and the Fund and its shareholders.