AMERICAN INDEPENDENCE FUNDS TRUST
("Trust")

SUPPLEMENT DATED OCTOBER 1, 2018 TO THE
SUMMARY PROSPECTUS, PROSPECTUS, AND STATEMENT OF ADDITIONAL INFORMATION ("SAI")
EACH DATED MARCH 1, 2018 AS SUPPLEMENTED THROUGH SEPTEMBER 27, 2018

AMERICAN INDEPENDENCE U.S. INFLATION-PROTECTED FUND
(Ticker Symbols: FFIHX, FNIHX, FCIHX, AIIPX)

THIS SUPPLEMENT PROVIDES NEW INFORMATION BEYOND THAT CONTAINED IN THE SUMMARY PROSPECTUS, PROSPECTUS, AND SAI DESCRIBED ABOVE

On September 25, 2018, Manifold Fund Advisors, LLC ("MFA"), the investment adviser to the Trust, strongly recommended to the Trust's Board of Trustees ("Board") and its Independent Legal Counsel that the American Independence U.S. Inflation Protected Fund ("AI TIPS Fund") should be liquidated according to a Plan of Liquidation and Dissolution. The AI TIPS Fund is the sole remaining series of the Trust.

On September 26, 2018, MFA advised the Board, its Independent Legal Counsel and the Chief Compliance Officer for the Trust ("Trust CCO") in writing that MFA had resigned as investment adviser and would not continue to serve as investment adviser to the Trust or the AI TIPS Funds after October 30, 2018. In addition, MFA suspended its voluntary funding of a cap on the AI TIPS Fund's fees and expenses as of September 27, 2018. A supplement to the Prospectus and SAI for the AI TIPS Fund regarding these matters was filed with Securities and Exchange Commission and posted to the Fund's website on September 27, 2018.

Today MFA advised the Board, its Independent Legal Counsel and the Trust CCO that it had resigned as Administrator to the Trust and the AI TIPs Fund effective October 31, 2018.

The purpose of this supplement is to notify shareholders of MFA's resignation as Administrator to the Trust and the AI TIPS Fund.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE

AMERICAN INDEPENDENCE FUNDS TRUST
(“Trust”)

SUPPLEMENT DATED SEPTEMBER 27, 2018 TO THE
SUMMARY PROSPECTUS, PROSPECTUS, AND STATEMENT OF ADDITIONAL INFORMATION (“SAI”)
EACH DATED MARCH 1, 2018 AS SUPPLEMENTED THROUGH AUGUST 8, 2018

AMERICAN INDEPENDENCE U.S. INFLATION-PROTECTED FUND
(Ticker Symbols: FFIHX, FNIHX, FCIHX, AIIPX)

THIS SUPPLEMENT PROVIDES NEW INFORMATION BEYOND THAT CONTAINED IN THE SUMMARY PROSPECTUS, PROSPECTUS, AND SAI DESCRIBED ABOVE

On September 25, 2018, Manifold Fund Advisors, LLC (“MFA”), the investment adviser to the Trust, recommended to the Trust’s Board of Trustees (“Board”) that the American Independence U.S. Inflation Protected Fund (“AI TIPS Fund” or “Fund”)) should be liquidated according to a Plan of Liquidation and Dissolution. The AI TIPS Fund is the sole remaining series of the Trust.

The reason for MFA’s recommendation to liquidate and dissolve the AI TIPS Fund is based on, among other things, the conclusion by MFA, in view of advice from its proxy solicitor, that given the composition of the Fund’s shareholder base it was unlikely that the Fund would be able to obtain the requisite approval of the Fund’s shareholders of the reorganization of the AI TIPS Fund with and into a clone series of The Advisors Funds Trust II to be advised by AI TIPS Fund sub-adviser.

MFA understands that the Board may consider other options with respect to AI TIPS Fund and MFA endorses the Board’s careful and deliberative evaluation process.

However, MFA declines to continue to serve as the investment adviser to the AI TIPS Fund or the Trust after October 30, 2018. Consequently, MFA provided the Board with 30-days’ prior written notice of its decision to cease serving as the investment adviser to the AI TIPS Fund and the Trust as of October 30, 2018, as required by the MFA’s Investment Advisory Agreement with the Trust. In addition, MFA suspended its voluntary funding of a cap on the AI TIPS Fund’s fees and expenses as of September 26, 2018.

The purpose of this supplement to notify shareholders of the AI TIPS Fund of MFA’s (i) resignation as investment adviser to the Fund and the Trust and (ii) the cessation of MFA’s voluntary cap on the AI TIPS Fund’s fees and expenses.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE

AMERICAN INDEPENDENCE FUNDS TRUST
(“Trust”)

SUPPLEMENT DATED March 6, 2018
TO THE SUMMARY PROSPECTUS, PROSPECTUS AND
STATEMENT OF ADDITIONAL INFORMATION
EACH DATED MARCH 1, 2018

AMERICAN INDEPENDENCE U.S. INFLATION-PROTECTED FUND
(Ticker Symbols: FFIHX, FNIHX, FCIHX, AIIPX)

At a Special Meeting of the Board of Trustees of the Trust (“Board”) held on February 22, 2018, the Board considered and unanimously approved a Form of Agreement and Plan of Reorganization (“Plan of Reorganization”) to enable a proposed tax-free merger and reorganization of all of the assets and liabilities of the American Independence U.S. Inflation-Protected Fund (“AI TIPS Fund”) with an into and the BNP Paribas AM U.S. Inflation-Linked Bond Fund (“BNP TIPS Fund”), a series of The Advisers Inner Circle Fund III (“AIC Fund Trust”), in exchange for an equivalent dollar amount of shares of the BNP TIPS Fund, corresponding to each class of shares of the AI TIPS Fund, that will be distributed to the shareholders of the AI TIPS Fund.

BNP Paribas Asset Management USA (“BNPP AM”), the sub-adviser for the AI TIPS Fund, advised the Board that the AI TIPS Fund and the BNP TIPS Fund are two substantially similar mutual funds that (i) are advised by the same BNPP AM portfolio management team and (ii) each invest primarily in dollar denominated U.S. inflation-linked bonds and related derivatives in order to provide to provide investors with inflation protected returns.

In making its decision to approve the Plan of Reorganization, the Board received and considered detailed, appropriate and necessary information on which to base its decision. In seeking to rely on the safe harbor provided by Section 15(f) of the Investment Company Act of 1940, as amended, BNPP AM has agreed that no “unfair burden” will be imposed on BNP TIPS Fund following the proposed reorganization for a period of two (2) years following the consummation of the reorganization transaction.

In conjunction with this approval, the Board directed MFA to take all steps necessary to seek the approval of a majority of the outstanding voting securities of the AI TIPS Funds with respect to the Plan of Reorganization, including. (i) assistance with the preparation and filing with the Securities and Exchange Commission of a proxy statement, prospectus and registration statement on Form N-14 relating to the Plan of Reorganization, (ii) the preparation and filing with the SEC of any additional proxy solicitation materials, and (iii) arranging for and holding a Special Meeting of Shareholders of the AI TIPS Fund in order to the consider and approve the Plan of Reorganization.

Shareholders and investors in the AI TIPS Funds will receive more information from Trust in connection with seeking approval of a majority of the outstanding voting securities of the Fund of the Plan of Reorganization.

Please contact Robert Rokose at rrokose@manifoldpartners.com for further information about these matters.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE

AMERICAN INDEPENDENCE FUNDS TRUST
(“Trust”)

SUPPLEMENT DATED March 6, 2018
TO THE PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION
EACH DATED MARCH 1, 2018

AMERICAN INDEPENDENCE
GLOBAL TACTICAL ALLOCATION FUND
(Ticker Symbols: RMAIX, AARMX, ACRMX)

AMERICAN INDEPENDENCE
KANSAS TAX-EXEMPT BOND FUND
(Ticker Symbols: SEKSX, IKSTX, IKTEX)

AMERICAN INDEPENDENCE
CARRET CORE PLUS FUND
(Ticker Symbols: IIISX, IBFSX)

AMERICAN INDEPENDENCE U.S.
INFLATION-PROTECTED FUND
(Ticker Symbols: FFIHX, FNIHX, FCIHX, AIIPX)

AMERICAN INDEPENDENCE
HILLCREST SMALL CAP VALUE FUND
(Ticker Symbols: HLCIX, HLCAX, HLCCX)

At a Special Meeting of the Board of Trustees of the Trust held on February 22, 2018, the Board of Trustees of the Trust (“Board”) unanimously approved, among other things, a proposal that would enable an investment adviser to be controlled by Joseph Demmler, Nathan Eigerman and Kevin Orr (“New Adviser”) to become the new investment adviser of the Trust on behalf of the Funds.

Manifold Fund Advisors LLC (“MFA”) advised the Board on February 22, 2018 that MFA and New Adviser had agreed on terms to complete a transaction that will result in the transfer of the investment advisory business of MFA with and into New Adviser. In making its determination to approve New Adviser as the investment adviser of the Funds, following the completion of a proposed reorganization transaction between New Adviser and MFA, the Board received and evaluated extensive, appropriate and necessary information on which to base its decision. In conjunction with that determination, the Board directed MFA to take all steps necessary to seek approval of a majority of the outstanding voting securities of the Funds with respect to a new Investment Advisory Agreement with New Adviser, which would become effective upon the consummation of the proposed reorganization transaction between MFA and New Adviser. In seeking to rely on the safe harbor provided by Section 15(f) of the Investment Company Act of 1940, as amended, MFA and the New Adviser have agreed that no “unfair burden” will be imposed on the Funds as a result of the New Adviser becoming the investment adviser of the Trust for a period of two (2) years following the execution of an Investment Advisory Agreement by the New Adviser.

If a new Investment Advisory Agreement with New Adviser is approved by a majority of the outstanding voting securities of the Funds and the proposed reorganization of MFA’s investment advisory business with and into New Adviser is consummated, New Adviser will enter into an Investment Advisory Agreement with the Trust and will become its new investment adviser. Up until that time, MFA will continue to serve as investment adviser to the Trust on behalf of each of the Funds.

Shareholders and investors will receive more information from Trust in connection with seeking approval of a majority of the outstanding voting securities of the Funds of a new Investment Advisory Agreement with New Adviser.

Please contact Robert Rokose at rrokose@manifoldpartners.com for further information about these matters.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE

AMERICAN INDEPENDENCE

AMERICAN INDEPENDENCE FUNDS TRUST

75 VIRGINIA ROAD, BOX 14
NORTH WHITE PLAINS, NEW YORK 10603
GENERAL AND ACCOUNT INFORMATION: (866) 410-2006

MANIFOLD FUND ADVISORS, LLC
("MANIFOLD FUND ADVISORS" OR "ADVISER")

MATRIX 360 DISTRIBUTORS, LLC
("MATRIX" OR "DISTRIBUTOR")

STATEMENT OF ADDITIONAL INFORMATION

MARCH 1, 2018

This Statement of Additional Information ("SAI") describes certain classes for five funds in the American Independence Funds Trust (each a "Fund" and collectively, "Funds"), all of which are managed by Manifold Fund Advisors. The Funds and classes are:

	(Ticker / CUSIP)			
	Institutional Class	Class A	Class C	Premier Class
American Independence Global Tactical Allocation Fund	RMAIX 026762260	AARMX 026762252	ACRMX 026762245	NA NA
American Independence Kansas Tax-Exempt Bond Fund	SEKSX 026762864	IKSTX 026762856	IKTEX 026762682	NA NA
American Independence Carret Core Plus Fund	IIISX 026762500	IBFSX 026762609	NA NA	NA NA
American Independence U.S. Inflation-Protected Fund	FFIHX 026762229	FNIHX 026762237	FCIHX 026762575	AIIPX 026762278
American Independence Hillcrest Small Cap Value Fund	HLCIX 026762146	HLCAX 026762138	HLCCX 026762120	NA NA

This SAI is meant to be read in conjunction with the prospectus for the American Independence Funds Trust dated March 1, 2018 ("Prospectus"), for Class A shares, Class C shares, Institutional Class shares, and Premier Class shares of the Funds listed above. This SAI is incorporated by reference in its entirety into the Prospectus. This SAI incorporates by reference the financial statements and financial highlights for the year ended October 31, 2017 included in the American Independence Funds Trust's annual report dated October 31, 2017. Because this SAI is not itself a prospectus, no investment in shares of any of the Funds should be made solely upon the information contained in this SAI.

Copies of the Prospectus and annual report may be obtained without charge by calling 1-866-410-2006 or by writing American Independence Funds Trust, 75 Virginia Road, Box 14, North White Plains, NY 10603.

Capitalized terms that are used in this SAI but not defined have the same meanings as in the Prospectus.

SHARES OF THE FUNDS ARE NOT BANK DEPOSITS AND SUCH SHARES ARE NOT FEDERALLY INSURED OR GUARANTEED BY THE U.S. GOVERNMENT, THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER GOVERNMENTAL AGENCY. INVESTMENT IN THE FUNDS INVOLVES INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL. YOU COULD ALSO LOSE MONEY BY INVESTING IN ONE OF THE FUNDS. IN ADDITION, THE DIVIDENDS PAID BY A FUND WILL GO UP AND DOWN.

TABLE OF CONTENTS

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THE PROSPECTUS, OR IN THIS STATEMENT OF ADDITIONAL INFORMATION INCORPORATED HEREIN BY REFERENCE, IN CONNECTION WITH THE OFFERING MADE BY THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR PRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY AMERICAN INDEPENDENCE FUNDS. THIS STATEMENT OF ADDITIONAL INFORMATION DOES NOT CONSTITUTE AN OFFERING BY AMERICAN INDEPENDENCE FUNDS IN ANY JURISDICTION IN WHICH SUCH AN OFFERING MAY NOT LAWFULLY BE MADE.

HISTORY OF THE TRUST

American Independence Funds Trust ("Trust") is a Delaware business statutory trust that commenced operations on October 7, 2004, as an open-end, management investment company. The Trust currently consists of five series, or mutual funds, all of which are described in this Statement of Additional Information ("SAI"). Under the Investment Company Act of 1940, as amended ("1940 Act"), each of the Funds, except the American Independence Kansas Tax-Exempt Bond Fund, which is classified as non-diversified, are classified as diversified.

THE INVESTMENT POLICIES, PRACTICES AND RELATED RISKS OF THE FUNDS

The Trust's Board of Trustees oversees the overall management of the Funds and elects the officers of the Trust. Each Fund follows its own investment objectives and policies, including certain investment restrictions. Several of those restrictions and each of the Funds' investment objectives are fundamental policies, which mean that they may not be changed without a majority vote of shareholders of the affected Fund. Except for the objectives and those restrictions specifically identified as fundamental, all other investment policies and practices described in this SAI are not fundamental and may change solely by approval of the Board of Trustees. The 80% minimum investment limitations of the Funds are non-fundamental, which means they may be changed by the Board of Trustees subject to 60 days advance notice to shareholders.

The following is a description of the investment practices of the Funds and the securities in which they may invest:

Equity Investments. The value of equity securities varies in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and general market and economic conditions. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations can be significant. Equity securities in which the Funds invest are described below:

Common Stocks. (American Independence Global Tactical Allocation Fund and American Independence Hillcrest Small Cap Value Fund). Common stock represents the residual ownership interest in the issuer after all of its obligations and preferred stocks are satisfied. Common stock fluctuates in price in response to many factors, including historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions, and market volatility.

Preferred Stocks. (American Independence Global Tactical Allocation Fund, American Independence Carret Core Plus Fund, and American Independence Hillcrest Small Cap Value Fund). Preferred stock has a preference over common stock in liquidation and generally in dividends as well but is subordinated to the liabilities of the issuer in all respects. Preferred stock may or may not be convertible into common stock. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics.

Convertible and Exchangeable Securities (American Independence Carret Core Plus Fund and American Independence Hillcrest Small Cap Value Fund). These Funds are permitted to invest in convertible and exchangeable securities, subject to the rating and quality requirements specified with respect to each such Fund. Convertible securities generally offer fixed interest or dividend yields until converted either at a stated price or stated rate for common or preferred stock. Exchangeable securities may be exchanged on specified terms for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. In addition, because of the conversion or exchange feature, the market value of convertible or exchangeable securities tends to vary with fluctuations in the market value of the underlying common or preferred stock. Debt securities that are convertible into or exchangeable for preferred or common stock are liabilities of the issuer but are generally subordinated to senior debt of the issuer.

Depositary Receipts (American Independence Carret Core Plus Fund and American Independence Hillcrest Small Cap Value Fund). The Funds may invest in foreign equity securities by purchasing "depositary receipts". Depositary receipts are instruments issued by banks that represent an ownership interest in equity securities held by arrangement with the bank. Depositary receipts can be either "sponsored" or "unsponsored". Sponsored depositary receipts are issued by a bank in cooperation with the issuer of the underlying equity securities. Unsponsored depositary receipts are arranged without involvement by the issuer of the underlying equity securities and, therefore, less information about the issuer of the underlying equity securities may be available and the price may be more volatile than in the case of sponsored depositary receipts. American Depositary Receipts ("ADRs") are depositary receipts that are bought and sold in the U.S. and are typically issued by a U.S. bank or trust company and evidence ownership of underlying securities by a foreign corporation. All depositary receipts, including those denominated in U.S. dollars, are subject to foreign currency risk. European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs") are depositary receipts that are typically issued by foreign banks or trust companies and evidence ownership of underlying securities issued by either a foreign or U.S. corporation.

There are certain risks associated with investments in unsponsored ADR programs. Because the non-U.S. company does not actively participate in the creation of the ADR program, the underlying agreement for service and payment will be between the depositary and the shareholder. The company issuing the stock underlying the ADR pays nothing to establish the unsponsored facility, as fees for ADR issuance and cancellation are paid by brokers. Investors directly bear the expenses associated with certificate transfer, custody and dividend payment.

In an unsponsored ADR program, there also may be several depositories with no defined legal obligations to the non-U.S. company. The duplicate depositories may lead to marketplace confusion because there would be no central source of information to buyers, sellers and intermediaries. The efficiency of centralization gained in a sponsored program can greatly reduce the delays in delivery of dividends and annual reports. In addition, with respect to all ADRs there is always the risk of loss due to currency fluctuations.

Investments in ADRs involve certain risks not typically involved in purely domestic investments, including future foreign political and economic developments, and the possible imposition of foreign governmental laws or restrictions applicable to such investments. Securities of foreign issuers through ADRs are subject to different economic, financial, political and social factors. Individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payments position. With respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could adversely affect the value of the particular ADR. There may be less publicly available information about a foreign company than about a U.S. company, and there may be less governmental regulation and supervision of foreign stock exchanges, brokers and listed companies. In addition, such companies may use different accounting and financial standards (and certain currencies may become unavailable for transfer from a foreign currency), resulting in a Fund's possible inability to convert proceeds realized upon the sale of portfolio securities of the affected foreign companies immediately into U.S. currency.

Warrants (American Independence Hillcrest Small Cap Value Fund). Warrants are options to purchase common stock at a specific price (usually at a premium above the market value of the optioned common stock at issuance) valid for a specific period of time. Warrants may have a life ranging from less than one year to twenty years, or they may be perpetual. However, most warrants have expiration dates after which they are worthless. In addition, a warrant is worthless if the market price of the common stock does not exceed the warrant's exercise price during the life of the warrant. Warrants have no voting rights, pay no dividends, and have no rights with respect to the assets of the corporation issuing them. The percentage increase or decrease in the market price of the warrant may tend to be greater than the percentage increase or decrease in the market price of the optioned common stock.

Securities of Other Investment Companies. The Funds' investments in an underlying portfolio of Exchange Traded Funds ("ETFs"), mutual funds and closed-end funds involve certain additional expenses and certain tax results, which would not be present in a direct investment in the underlying funds.

Other Open-End Mutual Funds (All Funds). Each Fund may invest in shares of other open-end, management investment companies, subject to the limitations of the 1940 Act and subject to such investments being consistent with the overall objective and policies of the Fund making such investment. The American Independence Kansas Tax-Exempt Bond Fund has adopted a non-fundamental policy to limit its investment in investment companies to shares of money market funds. The purchase of securities of other mutual funds results in duplication of expenses such that investors indirectly bear a proportionate share of the expenses of such mutual funds including operating costs, and investment advisory and administrative fees.

ETFs and Closed-End Funds (American Independence Global Tactical Allocation Fund, American Independence Carret Core Plus Fund, and American Independence Hillcrest Small Cap Value Fund). These Funds may invest in shares of ETFs and closed-end funds. Shareholders of the Funds bear both their proportionate share of a Fund's expenses and similar expenses of the underlying investment company when the Fund invests in shares of another investment company.

The price movement of an ETF may not track its underlying index and may result in a loss. If a Fund invests in closed-end investment companies, it may incur added expenses such as additional management fees and trading costs. Index-based ETFs are intended to provide investment results that, before expenses, generally correspond to the price and yield performance of the corresponding market index, and the value of their shares should, under normal circumstances, closely track the value of the relevant index's underlying component stocks. Index-based ETFs generally do not buy or sell securities, except to the extent necessary to conform their portfolios to the corresponding index. Because an ETF has operating expenses and transaction costs, while a market index does not, index-based ETFs that track particular indices typically will be unable to match the performance of the relevant index exactly. Investment in a Fund should be made with the understanding that the ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities and other ETF expenses, whereas such transaction costs and expenses are not included in the calculation of the total returns of the indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable.

Investments in securities of other investment companies, including ETFs, are subject to statutory limitations prescribed by the 1940 Act and by the Internal Revenue Code of 1986, as amended ("Code"). Absent an available exemption by an exemptive order granted by the Securities and Exchange Commission ("SEC") or through reliance on available rules under Section 12(d) of the 1940 Act, the Fund may not: (i) acquire more than 3% of the voting securities of any other investment company; (ii) invest more than 5% of its total assets in securities of any one investment company; or (iii) invest more than 10% of its total assets in securities of all investment companies.

Many ETFs have obtained exemptive relief from the SEC to permit unaffiliated funds to invest in the ETF's shares beyond the above statutory limitations, subject to certain conditions and pursuant to a contractual arrangement between the particular ETF and the investing fund. A Fund may rely on these exemptive orders to invest in unaffiliated ETFs. If the Fund is unable to rely on an exemptive order granted by the SEC to ETFs, the Fund may be able to rely on Rule 12d1-3 under the 1940. If that relief is not available, the limitations discussed above may prevent the Fund from allocating its investments in the manner the Adviser or sub-adviser considers prudent or may cause the Adviser or sub-adviser to select an investment other than that which the Adviser or sub-adviser considers to be the most suitable under the circumstances. To date, this has not been a problem for the Funds.

Additional risks through investing in certain ETFs (American Independence Global Tactical Allocation Fund). This Fund may invest in commodity-linked and real estate ETFs, which are designed to provide exposure to such investments without direct investment in physical commodities or real estate. By investing in ETFs that invest in commodities and real estate, the Fund incurs the following additional risks:

Commodity Risk. Investments in commodities and commodity-linked derivative instruments may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. In 2011, the Internal Revenue Service ("IRS") announced it would no longer issue private letter rulings regarding whether certain commodity-related investments, either directly by a mutual fund or indirectly through ETFs, produced qualifying income. As a result, there is now some uncertainty regarding the taxation of a Fund's investments in ETFs that in turn invest in commodities or instruments linked to commodities.

Real Estate Risk. The Fund's investment in real estate ETFs has many of the same risks as direct ownership of real estate, including the risk that the value of real estate could decline due to a variety of factors that affect the real estate market generally.

Exchange-Traded Notes (American Independence Global Tactical Allocation Fund and American Independence Hillcrest Small Cap Value Fund). Exchange-traded notes ("ETNs") are senior, unsecured, unsubordinated debt securities whose returns are linked to the performance of a particular market benchmark or strategy minus applicable fees. ETNs are traded on an exchange (e.g., the New York Stock Exchange) during normal trading hours. However, investors can also hold the ETN until maturity. At maturity, the issuer pays to the investor a cash amount equal to the principal amount, subject to the day's market benchmark or strategy factor. ETNs do not make periodic coupon payments or provide principal protection. ETNs are subject to credit risk and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or strategy remaining unchanged. The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced underlying asset. When the Fund invests in ETNs it will bear its proportionate share of any fees and expenses borne by the ETN.

A Fund's decision to sell its ETN holdings may be limited by the availability of a secondary market. In addition, although an ETN may be listed on an exchange, the issuer may not be required to maintain the listing and there can be no assurance that a secondary market will exist for an ETN. ETNs are also subject to tax risk. No assurance can be given that the IRS will accept, or a court will uphold, how the Fund characterizes and treats ETNs for tax purposes. Further, the IRS and Congress are considering proposals that would change the timing and character of income and gains from ETNs.

An ETN that is tied to a specific market benchmark or strategy may not be able to replicate and maintain exactly the composition and relative weighting of securities, commodities or other components in the applicable market benchmark or strategy. Some ETNs that use leverage can, at times, be relatively illiquid and, thus, they may be difficult to purchase or sell at a fair price. Leveraged ETNs are subject to the same risk as other instruments that use leverage in any form.

The market value of ETN shares may differ from their market benchmark or strategy. This difference in price may be due to the fact that the supply and demand in the market for ETN shares at any point in time is not always identical to the supply and demand in the market for the securities, commodities or other components underlying the market benchmark or strategy that the ETN seeks to track. As a result, there may be times when an ETN share trades at a premium or discount to its market benchmark or strategy.

Fixed Income Investments (All Funds). Yields on fixed income securities are dependent on a variety of factors, including the general conditions of the money market and other fixed income securities markets, the size of a particular offering, the maturity of the obligation and the rating of the issue. An investment in the Funds will be subjected to risk even if all fixed income securities in the Funds' portfolios are paid in full at maturity. All fixed income securities, including U.S. government securities, can change in value when there is a change in interest rates or the issuer's actual or perceived creditworthiness or ability to meet its obligations.

There is normally an inverse relationship between the market value of securities sensitive to prevailing interest rates and actual changes in interest rates. In other words, an increase in interest rates produces a decrease in market value. The longer the remaining maturity (and duration) of a security, the greater will be the effect of interest rate changes on the market value of that security. Changes in the ability of an issuer to make payments of interest and principal and in the markets' perception of an issuer's creditworthiness will also affect the market value of the debt securities of that issuer. Obligations of issuers of fixed income securities (including municipal securities) are subject to the provisions of bankruptcy, insolvency, and other laws affecting the rights and remedies of creditors, such as the Federal Bankruptcy Reform Act of 1978. In addition, the obligations of municipal issuers may become subject to laws enacted in the future by Congress, state legislatures, or referenda extending the time for payment of principal and/or interest, or imposing other constraints upon enforcement of such obligations or upon the ability of municipalities to levy taxes. Changes in the ability of an issuer to make payments of interest and principal and in the market's perception of an issuer's creditworthiness will also affect the market value of the debt securities of that issuer. The possibility exists, therefore, that the ability of any issuer to pay, when due, the principal of and interest on its debt securities may become impaired.

The debt securities in which the Funds may invest are discussed below:

U.S. Treasury Obligations (All Funds). The Funds may invest in U.S. Treasury obligations, which are backed by the full faith and credit of the United States Government as to the timely payment of principal and interest. U.S. Treasury obligations consist of bills, notes, and bonds and separately traded interest and principal component parts of such obligations known as STRIPS which generally differ in their interest rates and maturities. U.S. Treasury bills, which have original maturities of up to one year, notes, which have original maturities ranging from one year to 10 years, and bonds, which have original maturities of 10 to 30 years, are direct obligations of the United States Government federal agencies and instrumentalities. Some types of U.S. government securities are supported by the full faith and credit of the United States Government or U.S. Treasury guarantees, such as mortgage-backed certificates guaranteed by the Government National Mortgage Association ("GNMA"). Other types of U.S. government securities, such as obligations of the Student Loan Marketing Association, provide recourse only to the credit of the agency or instrumentality issuing the obligation. In the case of obligations not backed by the full faith and credit of the United States, the investor must look to the agency issuing or guaranteeing the obligation for ultimate repayment.

U.S. Agency Obligations (All Funds). The Funds may invest in obligations of agencies of the U.S. Government. Such agencies include, among others, Farmers Home Administration, Federal Farm Credit System, Federal Housing Administration, GNMA, Maritime Administration, Small Business Administration, and The Tennessee Valley Authority. The Funds may purchase securities issued or guaranteed by GNMA which represent participations in Veterans Administration and Federal Housing Administration backed mortgage pools. Obligations of instrumentalities of the U.S. Government include securities issued by, among others, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation ("Freddie Mac"), Federal Land Banks, Federal National Mortgage Association ("Fannie Mae") and the United States Postal Service. Some of these securities are supported by the full faith and credit of the United States Treasury (e.g., GNMA). Guarantees of principal by agencies or instrumentalities of the U.S. Government may be a guarantee of payment at the maturity of the obligation so that in the event of a default prior to maturity there might not be a market and thus no means of realizing the value of the obligation prior to maturity.

Commercial Paper (All Funds). Commercial paper includes short-term unsecured promissory notes, variable rate demand notes and variable rate master demand notes issued by both domestic and foreign bank holding companies, corporations and financial institutions, and United States Government agencies and instrumentalities. All commercial paper purchased by the Funds is, at the time of investment, rated in one of the top two short-term rating categories of at least one Nationally Recognized Statistical Rating Organization ("NRSRO"), or, if not rated is, (i) in the opinion of the Adviser, of an investment quality comparable to rated commercial paper in which the Funds may invest; or (ii) rated in a comparable category by only one such organization if it is the only organization that has rated the commercial paper.

Corporate Debt Securities (All Funds except American Independence Kansas Tax-Exempt Bond Fund—See "Variable Rate Demand Obligations"). The Funds may purchase corporate debt securities, subject to the rating and quality requirements specified with respect to each Fund. The Funds may invest in both rated commercial paper and rated corporate debt obligations of foreign issuers that meet the same quality criteria applicable to investments by the Funds in commercial paper and corporate debt obligations of domestic issuers. These investments, therefore, are not expected to involve significant additional risks as compared to the risks of investing in comparable domestic securities. Generally, all foreign investments carry with them both opportunities and risks not applicable to investments in securities of domestic issuers, such as risks of foreign political and economic instability, adverse movements in foreign exchange rates, the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital, changes in foreign governmental attitudes toward private investment (possibly leading to nationalization, increased taxation or confiscation of foreign assets) and added difficulties inherent in obtaining and enforcing a judgment against a foreign issuer of securities should it default.

Mortgage-Related Securities (All Funds). The Funds are permitted to invest in mortgage-related securities subject to the rating and quality requirements specified with respect to each such Fund. In the case of the American Independence Kansas Tax-Exempt Bond Fund, to the extent the Fund is permitted to invest in U.S. government securities, the Fund may invest in mortgage-related securities only. Mortgage pass-through securities are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are made monthly, in effect, "passing through" monthly payments made by the individual borrowers on the mortgage loans which underlie the securities (net of fees paid to the issuer or guarantor of the securities). Early repayment of principal on mortgage pass-through securities (arising from prepayments of principal due to sale of the underlying property, refinancing, or foreclosure, net of fees and costs which may be incurred) may expose a Fund to a lower rate of return upon reinvestment of principal. Also, if a security subject to prepayment has been purchased at a premium, in the event of prepayment the value of the premium would be lost. Like other fixed-income securities, when interest rates rise, the value of mortgage-related securities generally will decline; however, when interest rates decline, the value of mortgage-related securities with prepayment features may not increase as much as other fixed-income securities. In recognition of this prepayment risk to investors, the Public Securities Association (the "PSA") has standardized the method of measuring the rate of mortgage loan principal prepayments. The PSA formula, the Constant Prepayment Rate or other similar models that are standard in the industry will be used by the Funds in calculating maturity for purposes of investment in mortgage-related securities. The inverse relation between interest rates and value of fixed income securities will be more pronounced with respect to investments by the Funds in mortgage-related securities, the value of which may be more sensitive to interest rate changes.

Payment of principal and interest on some mortgage pass-through securities (but not the market value of the securities themselves) may be guaranteed by the full faith and credit of the U.S. Government (in the case of securities guaranteed by GNMA) or guaranteed by agencies or instrumentalities of the U.S. Government (in the case of securities guaranteed by Fannie Mae or Freddie Mac), which are supported only by the discretionary authority of the U.S. Government to purchase the agency's obligations. Mortgage pass-through securities created by non-governmental issuers (such as commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other secondary market issuers) may be supported in various forms of insurance or guarantees issued by governmental entities.

Collateralized Mortgage Obligations (American Independence Global Tactical Allocation Fund and American Independence Carret Core Plus Fund). The Fund may invest in Collateralized Mortgage Obligations ("CMOs") which are hybrid instruments with characteristics of both mortgage-backed bonds and mortgage pass-through securities. Similar to a bond, interest and prepaid principal on a CMO are paid, in most cases, semi-annually. CMOs may be collateralized by whole mortgage loans but are more typically collateralized by portfolios of mortgage pass-through securities guaranteed by GNMA, Fannie Mae or Freddie Mac. CMOs are structured in multiple classes, with each class bearing a different stated maturity or interest rate. The inverse relation between interest rates and value of fixed income securities will be more pronounced with respect to investments by the Fund in Mortgage-related securities, the value of which may be more sensitive to interest rate changes.

Mortgage-related securities, for purposes of this SAI, represent pools of mortgage loans assembled for sale to investors by various governmental agencies such as GNMA and government-related organizations such as Fannie Mae and Freddie Mac, as well as by nongovernmental issuers such as commercial banks, savings and loan institutions, mortgage bankers, and private mortgage insurance companies. Although certain mortgage-related securities are guaranteed by a third party or otherwise similarly secured, the market value of the security, which may fluctuate, is not so secured. If the Fund purchases a mortgage-related security at a premium, that portion may be lost if there is a decline in the market value of the security whether resulting from changes in interest rates or prepayments in the underlying mortgage collateral. As with other interest-bearing securities, the prices of such securities are inversely affected by changes in interest rates. However, though the value of a mortgage-related security may decline when interest rates rise, the converse is not necessarily true since in periods of declining interest rates the mortgages underlying the securities are prone to prepayment. For this and other reasons, a mortgage-related security's stated maturity may be shortened by unscheduled prepayments on the underlying mortgages and, therefore, it is not possible to predict accurately the security's return to the Fund. In addition, regular payments received in respect of mortgage-related securities include both interest and principal. No assurance can be given as to the return the Fund will receive when these amounts are reinvested.

There are a number of important differences among the agencies and instrumentalities of the U.S. Government that issue mortgage-related securities and among the securities that they issue. Mortgage-related securities created by GNMA include GNMA Mortgage Pass-Through Certificates (also known as "Ginnie Maes") which are guaranteed as to the timely payment of principal and interest and such guarantee is backed by the full faith and credit of the United States. GNMA is a wholly-owned U.S. Government corporation within the Department of Housing and Urban Development. GNMA certificates also are supported by the authority of GNMA to borrow funds from the U.S. Government to make payments under its guarantee. Mortgage-related securities issued by Fannie Mae include FNMA Guaranteed Mortgage Pass-Through Certificates (also known as "Fannie Maes") which are solely the obligations of the FNMA and are not backed by or entitled to the full faith and credit of the United States. Fannie Mae is a government-sponsored organization owned entirely by private stock-holders. Fannie Maes are guaranteed as to timely payment of the principal and interest by FNMA. Mortgage-related securities issued by Freddie Mac include FHLMC Mortgage Participation Certificates (also known as "Freddie Macs" or "PCs"). Freddie Macs are not guaranteed by the United States or by any Federal Home Loan Banks and do not constitute a debt or obligation of the United States or of any Federal Home Loan Bank. Freddie Macs entitle the holder to timely payment of interest, which is guaranteed by Freddie Mac. Freddie Mac currently guarantees timely payment of interest and either timely payment of principal or eventual payment of principal, depending upon the date of issue. When Freddie Mac does not guarantee timely payment of principal, Freddie Mac may remit the amount due on account of its guarantee of ultimate payment of principal at any time after default on an underlying mortgage, but in no event later than one year after it becomes payable.

Asset-Backed Securities (American Independence Global Tactical Allocation Fund, American Independence Carret Core Plus Fund, and American Independence U.S. Inflation-Protected Fund). These Funds are permitted to invest in asset-backed securities, subject to the rating and quality requirements specified with respect to each such Fund. Through the use of trusts and special purpose subsidiaries, various types of assets, primarily home equity loans and automobile and credit card receivables, are being securitized in pass-through structures similar to the mortgage pass-through structures described above. Consistent with the Funds' investment objectives, policies and quality standards, a Fund may invest in these and other types of asset-backed securities which may be developed in the future.

Asset-backed securities involve certain risks that are not posed by mortgage-related securities, resulting mainly from the fact that asset-backed securities do not usually contain the benefit of a complete security interest in the related collateral. For example, credit card receivables generally are unsecured and the debtors are entitled to the protection of a number of state and Federal consumer credit laws, some of which may reduce the ability to obtain full payment. In the case of automobile receivables, due to various legal and economic factors, proceeds from repossessed collateral may not always be sufficient to support payments on these securities. The risks associated with asset-backed securities are often reduced by the addition of credit enhancements such as a letter of credit from a bank, excess collateral or a third-party guarantee.

Municipal Commercial Paper (American Independence Global Tactical Allocation Fund, American Independence Carret Core Plus Fund, and American Independence Kansas Tax-Exempt Bond Fund). Municipal commercial paper is a debt obligation with a stated maturity of one year or less which is issued to finance seasonal working capital needs or as short-term financing in anticipation of longer-term debt. Investments in municipal commercial paper are limited to commercial paper which is rated at the date of purchase: (i) "P-1" by Moody's and "A-1" or "A-1+" by S&P, "P-2" or better by Moody's and "A-2" or better by S&P; or (ii) in a comparable rating category by any two of the NRSROs that have rated commercial paper; or (iii) in a comparable rating category by only one such organization if it is the only organization that has rated the commercial paper; or (iv) if not rated, is, in the opinion of the Adviser, of comparable investment quality and within the credit quality policies and guidelines established by the Board of Trustees. Issuers of municipal commercial paper rated "P-1" have a "superior capacity for repayment of short-term promissory obligations". The "A-1" rating for commercial paper under the S&P classification indicates that the "degree of safety regarding timely payment is either overwhelming or very strong." Commercial paper with "overwhelming safety characteristics" will be rated "A-1+". Commercial paper receiving a "P-2" rating has a strong capacity for repayment of short-term promissory obligations. Commercial paper rated "A-2" has the capacity for timely payment although the relative degree of safety is not as overwhelming as for issues designated "A-1".

Municipal Leases (American Independence Kansas Tax-Exempt Bond Fund). Municipal leases are instruments, or participations in instruments, issued in connection with lease obligations or installment purchase contract obligations of municipalities. Although municipal lease obligations do not constitute general obligations of the issuing municipality, a lease obligation is ordinarily backed by the municipality's covenant to budget for, appropriate funds for, and make the payments due under the lease obligation. However, certain lease obligations contain "non-appropriation" clauses, which provide that the municipality has no obligation to make lease or installment purchase payments in future years unless money is appropriated for such purpose in the relevant years. Municipal lease obligations will be treated as liquid only if they satisfy criteria set forth in guidelines established by the Board of Trustees, and there can be no assurance that a market will exist or continue to exist for any municipal lease obligation.

Municipal Notes (American Independence Global Tactical Allocation Fund, American Independence Carret Core Plus Fund, and American Independence Kansas Tax-Exempt Bond Fund). Municipal notes are generally sold as interim financing in anticipation of the collection of taxes, a bond sale or receipt of other revenue. Municipal notes generally have maturities at the time of issuance of one year or less. Investments in municipal notes are limited to notes which are rated at the date of purchase: (i) MIG 1 or MIG 2 by Moody's and in a comparable rating category by at least one other nationally recognized statistical rating organization that has rated the notes, or (ii) in a comparable rating category by only one such organization, including Moody's, if it is the only organization that has rated the notes, or (iii) if not rated, are, in the opinion of the Adviser, of comparable investment quality and within the credit quality policies and guidelines established by the Board of Trustees.

Notes rated "MIG 1" are judged to be of the "best quality" and carry the smallest amount of investment risk. Notes rated "MIG 2" are judged to be of "high quality, with margins of protection ample although not as large as in the preceding group".

Municipal Bonds (American Independence Global Tactical Allocation Fund, American Independence Carret Core Plus Fund, and American Independence Kansas Tax-Exempt Bond Fund). Municipal bonds generally have a maturity at the time of issuance of more than one year. Municipal bonds may be issued to raise money for various public purposes—such as constructing public facilities and making loans to public institutions. There are generally two types of municipal bonds: general obligation bonds and revenue bonds. General obligation bonds are backed by the taxing power of the issuing municipality and are considered the safest type of municipal bond. Revenue bonds are backed by the revenues of a project or facility—tolls from a toll road, for example. Certain types of municipal bonds are issued to obtain funding for privately operated facilities. Industrial development revenue bonds (which are private activity bonds) are a specific type of revenue bond backed by the credit and security of a private user, and therefore investments in these bonds have more potential risk. Investments in municipal bonds are limited to bonds which are rated at the time of purchase "A" or better by a NRSRO.

High Yield Securities. (American Independence Global Tactical Allocation Fund and American Independence Carret Core Plus Fund). High yield securities are issued by corporations with credit ratings less than investment grade, or unrated securities of comparable quality and are often referred to as "junk" bonds. Below investment grade bonds have ratings of BB and lower. Non-investment grade companies must pay a much higher rate of interest to borrow money, resulting in the issue by them of high yield bonds. Such bonds are primarily speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality bonds. In addition, medium and lower rated securities and comparable unrated securities generally present a higher degree of credit risk. Companies with non-investment grade credit ratings are more liable to have financial problems in difficult financial times. Lower rated debt obligations also present risks based on payment expectations. If an issuer calls the obligation for redemption, a Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors.

Debt or bonds from non-investment grade companies are subject to a higher possibility of default on the payment of interest or principal. Generally high yield bonds are unsecured and frequently subordinated to the prior payment of senior indebtedness.

Limited Market Risk The existence of limited markets for fixed income securities may make it more difficult for a fund to obtain accurate market quotations for purposes of valuing its securities and calculating its net asset value. Moreover, the lack of a liquid trading market may restrict the availability of securities for a fund to purchase and may also have the effect of limiting the ability of a fund to sell securities at their fair market value either to meet redemption requests or to respond to changes in the economy or the financial markets. If a fund experiences any unexpected net redemptions, it may be forced to sell its higher rated bonds, resulting in a decline in the overall credit quality of the securities held by the fund and increasing the exposure of the fund to the risks of lower rated securities.

Domestic and Foreign Bank Obligations (All Funds). These obligations include but are not restricted to certificates of deposit, commercial paper, Yankee dollar certificates of deposit, bankers' acceptances, Eurodollar certificates of deposit and time deposits, promissory notes and medium-term deposit notes. The Funds will not invest in any obligations of their affiliates, as defined under the 1940 Act. The American Independence Kansas Tax-Exempt Bond Fund's bank obligations are limited to certificates of deposit and bankers' acceptances.

Brady Bonds (American Independence U.S. Inflation-Protected Fund). Brady Bonds are debt securities issued or guaranteed by foreign governments in exchange for existing external commercial bank indebtedness. To date, Brady Bonds have been issued by the governments of approximately twenty countries, the largest proportion having been issued by Argentina, Brazil, Mexico and Venezuela. Brady Bonds are either collateralized or uncollateralized, are issued in various currencies (primarily the U.S. dollar), and are actively traded in the over-the-counter secondary market. The Fund may invest in either collateralized or uncollateralized Brady Bonds. U.S. dollar-denominated, collateralized Brady Bonds, which may be fixed rate par bonds or floating rate discount bonds, are collateralized in full as to principal by U.S. Treasury zero coupon bonds having the same maturity as the bonds. Interest payments on such bonds generally are collateralized by cash or securities in an amount that, in the case of fixed rate bonds, is equal to at least one year of rolling interest payments or, in the case of floating rate bonds, initially at least one year's rolling interest payments based on the applicable interest rate at the time and adjusted at regular intervals thereafter.

Brady Bonds are generally issued by countries with developing capital markets or unstable governments and as such, are considered to be among the more risky international investments.

Investments in United States Bank Obligations (Including Foreign Branches) (All Funds). Each Fund limits its investment in foreign bank obligations to United States dollar-denominated obligations of foreign banks (including United States branches of foreign banks) which in the opinion of the Adviser or Sub-Adviser, are of an investment quality comparable to obligations of United States banks which may be purchased by the Funds. There is no limitation on the amount of the Funds' assets, which may be invested in obligations of foreign banks meeting the conditions set forth herein.

Fixed time deposits may be withdrawn on demand by the investor, but may be subject to early withdrawal penalties that vary depending upon market conditions and the remaining maturity of the obligation. There are no contractual restrictions on the right to transfer a beneficial interest in a fixed time deposit to a third party, although there is no market for such deposits.

Investments in fixed time deposits subject to withdrawal penalties maturing in more than seven days may not exceed 10% of the value of the net assets of the American Independence Kansas Tax-Exempt Bond Fund and 15% of the value of the net assets of the other Funds.

Obligations of foreign banks involve somewhat different investment risks than those affecting obligations of United States banks, including the possibilities that their liquidity could be impaired because of future political and economic developments, that the obligations may be less marketable than comparable obligations of United States banks, that a foreign jurisdiction might impose withholding taxes on interest income payable on those obligations, that foreign deposits may be seized or nationalized, that foreign governmental restrictions such as exchange controls may be adopted which might adversely affect the payment of principal and interest on those obligations and that the selection of those obligations may be more difficult because there may be less publicly available information concerning foreign banks, or that the accounting, auditing and financial reporting standards, practices and requirements applicable to foreign banks may differ from those applicable to United States banks. Foreign banks are not subject to examination by any United States Government agency or instrumentality.

Strips (All Funds). Each Fund may invest in separately traded principal and interest components of securities backed by the full faith and credit of the United States Treasury. The principal and interests components of United States Treasury bonds with remaining maturities of longer than ten years are eligible to be traded independently under the Separate Trading of Registered Interest and Principal of Securities ("STRIPS") program. Under the STRIPS program, the principal and interest components are separately issued by the United States Treasury at the request of depositary financial institutions, which then trade the component parts separately. The interest component of STRIPS may be more volatile than that of United States Treasury bills with comparable maturities. The Funds will not actively trade in STRIPS.

Zero Coupon Securities (All Funds). A zero coupon security pays no interest to its holder during its life and is sold at a discount to its face value at maturity. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically and are more sensitive to changes in interest rates than non-zero coupon securities having similar maturities and credit qualities.

Variable and Floating Rate Demand and Master Demand Obligations (All Funds). The Funds may, from time to time, buy variable rate demand obligations issued by corporations, bank holding companies and financial institutions and similar taxable and tax-exempt instruments issued by government agencies and instrumentalities. These securities will typically have a maturity five to 20 years with respect to the Funds, but carry with them the right of the holder to put the securities to a remarketing agent or other entity on short notice, typically seven days or less. The obligation of the issuer of the put to repurchase the securities may or may not be backed by a letter of credit or other obligation issued by a financial institution. The purchase price is ordinarily par plus accrued and unpaid interest.

The Funds may also buy Variable Rate Master Demand Obligations. The terms of these obligations permit the investment of fluctuating amounts by the Funds at varying rates of interest pursuant to direct arrangements between a Fund, as lender, and the borrower. They permit weekly, and in some instances, daily, changes in the amounts borrowed. The Funds have the right to increase the amount under the obligation at any time up to the full amount provided by the note agreement, or to decrease the amount, and the borrower may prepay up to the full amount of the obligation without penalty. The obligations may or may not be backed by bank letters of credit. Because the obligations are direct lending arrangements between the lender and the borrower, it is not generally contemplated that they will be traded, and there is no secondary market for them, although they are redeemable (and thus, immediately repayable by the borrower) at principal amount, plus accrued interest, upon demand. The Funds have no limitations on the type of issuer from whom the obligations will be purchased. The Funds will invest in variable rate master demand obligations only when such obligations are determined by the Adviser or Sub-Advisers, as applicable or, pursuant to guidelines established by the Board of Trustees to be of comparable quality to rated issuers or instruments eligible for investment by the Funds.

Indexed Notes Currency Exchange-Related Securities and Similar Securities (American Independence U.S. Inflation-Protected Fund). These securities are notes, the principal amount of which and/or the interest rate payable is determined by reference to an index. This index may be determined by the rate of exchange between the specified currency for the note and one or more other currencies or composite currencies.

Inflation-Indexed Securities (American Independence Global Tactical Allocation Fund and American Independence U.S. Inflation-Protected Fund). Inflation-indexed securities are linked to the inflation rate in worldwide markets, such as the U.S. Treasury's "inflation-protected" bonds. Inflation protected securities issued by the U.S. Treasury are also called "Treasury Inflation Protected Securities" or "TIPS". The principal is adjusted for inflation (payable at maturity), and the semi-annual interest payments equal a fixed percentage of the inflation-adjusted principal amount. The inflation adjustments are based upon the Consumer Price Index ("CPI") for Urban Consumers. The original principal value of TIPS is guaranteed, even during a period of deflation. The par value of a TIPS bond at maturity will be the greater of the original principal or the inflation-adjusted principal. These securities may be eligible for coupon stripping under the U.S. Treasury program. U.S. corporations and government agencies have also issued inflation-indexed securities sporadically in the past.

Inflation-indexed securities also have been issued by sovereign countries such as Australia, Canada, France, Japan, New Zealand, Sweden and the United Kingdom in their respective currencies. The mechanics for adjusting the principal value of foreign inflation-indexed securities is similar but not identical to the process used in the United States. In addition, these countries may not provide a guarantee of principal value at maturity, in which case the adjusted principal value of the bond repaid at maturity may be less than the original principal.

CPI futures are exchange-traded futures contracts that represent the inflation on a notional value of $1,000,000 for a period of three months, as implied by the CPI. An inflation swap is a contract between two counterparties who agree to swap cash flows based on the inflation rate against fixed cash flows. CPI futures and inflation swaps can be used to hedge the inflation risk in nominal bonds and can be combined with U.S. Treasury futures contracts to create synthetic TIPS.

Dollar Roll Transactions (American Independence Carret Core Plus Fund and American Independence U.S. Inflation-Protected Fund). These Funds may enter into dollar roll transactions wherein a Fund sells fixed income securities, typically mortgage-backed securities, and makes a commitment to purchase similar, but not identical, securities at a later date from the same party. Like a forward commitment, during the roll period no payment is made for the securities purchased and no interest or principal payments on the security accrue to the purchaser, but the Fund assumes the risk of ownership. Each Fund is compensated for entering into dollar roll transactions by the difference between the current sales price and the forward price for the future purchase, as well as by the interest earned on the cash proceeds of the initial sale. Like other when-issued securities or firm commitment agreements, dollar roll transactions involve the risk that the market value of the securities sold by a Fund may decline below the price at which a Fund is committed to purchase similar securities. In the event the buyer of securities under a dollar roll transaction becomes insolvent, a Fund's use of the proceeds of the transaction may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. Each Fund will engage in roll transactions for the purpose of acquiring securities for its portfolio and not for investment leverage. Each Fund will limit its obligations on dollar roll transactions to 35 percent of its net assets.

Duration Management (American Independence Global Tactical Allocation Fund, American Independence Kansas Tax-Exempt Bond Fund, American Independence Carret Core Plus Fund, and American Independence U.S. Inflation-Protected Fund). Duration measures the expected life of a debt security on a present value basis. It incorporates the length of the time intervals between the present time and the time that the interest and principal payments are scheduled (or in the case of a callable bond, expected to be received) and weighs them by the present values of the cash to be received at each future point in time. For any debt security with interest payments occurring prior to the payment of principal, duration is always less than maturity. In general, for the same maturity, the lower the stated or coupon rate of interest of a debt security, the longer the duration of the security; conversely, the higher the stated or coupon rate of interest of a debt security, the shorter the duration of the security.

The market price of a bond with an effective duration of two years would be expected to decline 2% if interest rates rose 1%. If a bond has an effective duration of three years, a 1% increase in general interest rates would be expected to cause the bond's value to decline by about 3%.

Futures, options and options on futures have durations closely related to the duration of the securities that are underlying them. Holding long futures or call options will lengthen a Fund's duration by approximately the same amount as holding an equivalent amount of the underlying securities. Short futures or put option positions have durations roughly equal to the negative duration of the securities that underlie those positions and have the effect of reducing duration by approximately the same amount as selling an equivalent amount of the underlying securities.

For inflation-indexed securities, real duration measures the price sensitivity of a bond as real interest rates (i.e., nominal interest rates adjusted for inflation) move up and down. Real duration is their primary measure of risk, because these securities are subject to real rate changes but are protected against fluctuations in inflation.

Investment in Foreign Securities (American Independence Global Tactical Allocation Fund, American Independence Carret Core Plus Fund, American Independence U.S. Inflation-Protected Fund, and American Independence Hillcrest Small Cap Value Fund). These Funds may each invest in securities of foreign governmental and private issuers that, except for the AI International Fund, are generally denominated in and pay interest in U.S. dollars. Investments in foreign securities involve certain considerations that are not typically associated with investing in domestic securities. There may be less publicly available information about a foreign issuer than about a domestic issuer. Foreign issuers also are not generally subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to domestic issuers. In addition, with respect to certain foreign countries, interest may be withheld at the source under foreign income tax laws, and there is a possibility of expropriation or confiscatory taxation, political or social instability or diplomatic developments that could adversely affect investments in securities of issuers located in those countries.

Emerging Markets (American Independence Global Tactical Allocation Fund and American Independence U.S. Inflation-Protected Fund). Emerging markets securities are foreign securities issued from countries which are considered to be "emerging" or "developing" by the World Bank. Such emerging markets include all markets other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, the United Kingdom and the United States.

An emerging market sovereign security is a security issued by the national government, a municipality, or a company that is wholly owned by the national government. The latter are sometimes referred to as "quasi-sovereign" securities.

Foreign Currency Transactions (All Funds, except American Independence Kansas Tax-Exempt Bond Fund). Investments by the Funds in securities of foreign companies will usually involve the currencies of foreign countries. In addition, the Funds may temporarily hold funds in bank deposits in foreign currencies pending the completion of certain investment programs. Accordingly, the value of the assets of the Funds, as measured in U.S. dollars, may be affected by changes in foreign currency exchange rates and exchange control regulations. In addition, the Funds may incur costs in connection with conversions between various currencies.

A Fund will conduct its foreign currency exchange transactions on a spot (*i.e.,* cash) basis at the spot rate prevailing in the foreign currency exchange market. By entering into a forward currency contract for the purchase or sale, for a fixed amount of dollars, of the amount of foreign currency involved in the underlying security transactions, a Fund may be able to protect itself against a possible loss resulting from an adverse change in the relationship between the U.S. dollar and the subject foreign currency during the period between the date the security is purchased or sold and the date on which payment is made or received.

Exchange rates between the U.S. dollar and foreign currencies are a function of such factors as supply and demand in the currency exchange markets, international balances of payments, governmental intervention, speculation and other economic and political conditions. Although a Fund values its assets daily in U.S. dollars, a Fund generally does not convert its holdings to U.S. dollars or any other currency. Foreign exchange dealers may realize a profit on the difference between the price at which a Fund buys and sells currencies.

Multi-National Currency Unit Securities or More Than One Currency Denomination (American Independence U.S. Inflation-Protected Fund). Multi-national currency unit securities are tied to currencies of more than one nation. These securities include securities denominated in the currency of one nation, although it is issued by a governmental entity, corporation or financial institution of another nation.

Investments in Eurodollar and Yankee Dollar Obligations (All Funds). Most notably, there generally is less publicly available information about foreign companies; there may be less governmental regulation and supervision; they may use different accounting and financial standards; and the adoption of foreign governmental restrictions may adversely affect the payment of principal and interest on foreign investments. In addition, not all foreign branches of United States banks are supervised or examined by regulatory authorities as are United States banks, and such branches may not be subject to reserve requirements.

Derivative Securities (All Funds except American Independence Hillcrest Small Cap Value Fund). The Funds may purchase certain "derivative" instruments as described below under various headings. Derivative instruments are instruments that derive value from the performance of underlying assets, interest or currency exchange rates or indices, and include, but are not limited to, participation certificates, custodial receipts, futures contracts, options, forward foreign currency contracts, interest rate swaps and structured debt obligations (including collateralized mortgage obligations and other types of mortgage-related securities, "stripped" securities and various floating rate instruments). Derivative instruments present, to varying degrees, market risk that the performance of the underlying assets, interest or exchange rates or indices will decline; credit risk that the dealer or other counterparty to the transaction will fail to pay its obligations; volatility and leveraging risk that, if interest or exchange rates change adversely, the value of the derivative instrument will decline more than the assets, rates or indices on which it is based; liquidity risk that a Fund will be unable to sell a derivative instrument when it wants because of lack of market depth or market disruption; pricing risk that the value of a derivative instrument will not correlate exactly to the value of the underlying assets, rates or indices on which it is based; and operations risk that loss will occur as a result of inadequate systems and controls, human error or otherwise. Some derivative instruments are more complex than others, and for those instruments that have been developed recently, data is lacking regarding their actual performance over complete market cycles.

The Adviser or Sub-Adviser will evaluate the risks presented by the derivative instruments purchased by the Funds, and will determine, in connection with its day-to-day management of the Funds, how they will be used in furtherance of each Fund's investment objective. It is possible, however, that the Adviser's or Sub-Adviser's evaluations will prove to be inaccurate or incomplete and, even when accurate and complete, it is possible that a Fund will, because of the risks discussed above, incur a loss as a result of its investments in derivative instruments.

Derivative securities are instruments whose value is derived from the value of other assets such as commodities, stocks, bonds, and market indices. Derivatives include: (a) swaps; (b) caps, floors and collars; (c) forward foreign currency contracts; (d) futures contracts; (e) options; and (f) participatory notes.

Derivatives are often used to hedge against a given investment's risks of future gain or loss. Such risks include changes in interest rates, foreign currency exchange rates and securities prices.

CFTC Regulatory Considerations (All Funds). The Funds may purchase and sell derivative instruments only to the extent that such activities are consistent with the requirements of the Commodity Exchange Act ("CEA"), including registration as a "commodity pool operator". The Adviser has claimed an exclusion from the definition of commodity pool operator under the CEA and is not currently subject to registration, disclosure and reporting requirements under the CEA.

With respect to investments in commodity futures, commodity options or certain other derivatives used for purposes other than *bona fide* hedging purposes, a registered investment company must meet one of the following tests. First, the aggregate initial margin and premiums required to establish the investment company's positions in such investments may not exceed five percent (5%) of the liquidation value of the investment company's portfolio (after accounting for unrealized profits and unrealized losses on any such investments). Alternatively, the aggregate net notional value of such instruments, determined at the time of the most recent position established, may not exceed one hundred percent (100%) of the liquidation value of the investment company's portfolio (after accounting for unrealized profits and unrealized losses on any such positions). In addition to meeting one of the foregoing trading limitations, the company may not market itself as a commodity pool or otherwise as a vehicle for trading in the commodity futures, commodity options or derivatives markets.

Options on Securities (American Independence Global Tactical Allocation Fund, American Independence Carret Core Plus Fund, and American Independence U.S. Inflation-Protected Fund). These Funds may purchase put and call options and write covered put and call options on securities in which each Fund may invest directly and that are traded on registered domestic securities exchanges or that result from separate, privately negotiated transactions (i.e., over-the-counter (OTC) options). The writer of a call option, who receives a premium, has the obligation, upon exercise, to deliver the underlying security against payment of the exercise price during the option period. The writer of a put, who receives a premium, has the obligation to buy the underlying security, upon exercise, at the exercise price during the option period. Please see Appendix A for further details regarding Options.

Writing Covered Options. These Funds may write put and call options on securities only if they are covered, and such options must remain covered as long as a Fund is obligated as a writer. A call option is covered if a Fund owns the underlying security covered by the call or has an absolute and immediate right to acquire that security without additional cash consideration (or for additional cash consideration if the underlying security is held in a segregated account by its custodian) upon conversion or exchange of other securities held in its portfolio. A put option is covered if a Fund maintains liquid assets with a value equal to the exercise price in a segregated account with its custodian.

The principal reason for writing put and call options is to attempt to realize, through the receipt of premiums, a greater current return than would be realized on the underlying securities alone. In return for the premium received for a call option, a Fund foregoes the opportunity for profit from a price increase in the underlying security above the exercise price so long as the option remains open, but retains the risk of loss should the price of the security decline. In return for the premium received for a put option, a Fund assumes the risk that the price of the underlying security will decline below the exercise price, in which case the put would be exercised and a Fund would suffer a loss. These Funds may purchase put options in an effort to protect the value of a security it owns against a possible decline in market value.

Writing of options involves the risk that there will be no market in which to effect a closing transaction. An exchange-traded option may be closed out only on an exchange that provides a secondary market for an option of the same series. OTC options are not generally terminable at the option of the writer and may be closed out only by negotiation with the holder. There is also no assurance that a liquid secondary market on an exchange will exist. In addition, because OTC options are issued in privately negotiated transactions exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), there is no assurance that a Fund will succeed in negotiating a closing out of a particular OTC option at any particular time. If a Fund, as covered call option writer, is unable to effect a closing purchase transaction in the secondary market or otherwise, it will not be able to sell the underlying security until the option expires or it delivers the underlying security upon exercise.

The staff of the SEC has taken the position that purchased options not traded on registered domestic securities exchanges and the assets used as cover for written options not traded on such exchanges are generally illiquid securities. However, the staff has also opined that, to the extent a mutual fund sells an OTC option to a primary dealer that it considers creditworthy and contracts with such primary dealer to establish a formula price at which the fund would have the absolute right to repurchase the option, the fund would only be required to treat as illiquid the portion of the assets used to cover such option equal to the formula price minus the amount by which the option is in-the-money. Pending resolution of the issue, these Funds will treat such options and, except to the extent permitted through the procedure described in the preceding sentence, assets as subject to each such Fund's limitation on investments in securities that are not readily marketable.

Swap Agreements (American Independence Global Tactical Allocation Fund, American Independence Carret Core Plus Fund, and American Independence U.S. Inflation-Protected Fund). To manage its exposure to different types of investments, a Fund may enter into interest rate, currency and mortgage (or other asset) swap agreements and may purchase and sell interest rate "caps", "floors" and "collars". In a typical interest rate swap agreement, one party agrees to make regular payments equal to a floating interest rate on a specified amount (the "notional principal amount") in return for payments to a fixed interest rate on the same amount for a specified period. If a swap agreement provides for payment in different currencies, the parties may also agree to exchange the notional principal amount. Mortgage swap agreements are similar to interest rate swap agreements, except that the notional principal amount is tied to a reference pool of mortgages. In a cap or floor, one party agrees, usually in return for a fee, to make payments under particular circumstances. For example, the purchaser of an interest rate cap has the right to receive payments to the extent a specified interest rate exceeds an agreed upon level; the purchaser of an interest rate floor has the right to receive payments to the extent a specified interest rate falls below an agreed upon level. A collar entitles the purchaser to receive payments to the extent a specified interest rate falls outside an agreed upon range.

Swap agreements may involve leverage and may be highly volatile; depending on how they are used, they may have a considerable impact on a Fund's performance. Swap agreements involve risks depending upon the counterparty's creditworthiness and ability to perform as well as a Fund's ability to terminate its swap agreements or reduce its exposure through offsetting transactions. The Adviser monitors the creditworthiness of counterparties to these transactions and intends to enter into these transactions only when they believe the counterparties present minimal credit risks and the income expected to be earned from the transaction justifies the attendant risks.

Total Return Swaps (American Independence Global Tactical Allocation Fund and American Independence U.S. Inflation-Protected Fund). A total return swap is a contract between two counterparties who agree to swap periodic payments for the life of the contract. Typically, one party receives the total return (interest payments plus any capital gains or losses for the payment period) from a specified reference asset, while the counterparty receives a specified fixed or floating cash flow (e.g., LIBOR) that is not related to the creditworthiness of the reference asset. The payments are based upon the same notional amount of the reference asset. The reference asset may be any asset (e.g., bonds or loans), an index, or a basket of assets.

Futures, Related Options and Options on Stock Indices (American Independence Global Tactical Allocation Fund). These Funds may attempt to reduce the risk of investment in equity securities by hedging a portion of its portfolio through the use of certain futures transactions, options on futures traded on a board of trade and options on stock indices traded on national securities exchanges. Each Fund may hedge a portion of their portfolios by purchasing such instruments during a market advance or when the Adviser or Sub-Adviser anticipates an advance. In attempting to hedge a portfolio, a Fund may enter into contracts for the future delivery of securities and futures contracts based on a specific security, class of securities or an index, purchase or sell options on any such futures contracts, and engage in related closing transactions. A Fund will use these instruments primarily as a hedge against changes resulting from market conditions in the values of securities held in its portfolio or which it intends to purchase. Please see Appendix A for more details on Futures and Options transactions.

A stock index assigns relative weighing to the common stocks in the index, and the index generally fluctuates with changes in the market values of these stocks. A stock index futures contract is an agreement in which one party agrees to deliver to the other an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close of the last trading day of the contract and the price at which the agreement is made. A Fund will sell stock index futures only if the amount resulting from the multiplication of the then current level of the indices upon which such futures contracts are based, and the number of futures contracts which would be outstanding, do not exceed one-third of the value of its net assets.

When a futures contract is executed, each party deposits with a broker or in a segregated custodial account up to 5% of the contract amount, called the "initial margin", and during the term of the contract, the amount of the deposit is adjusted based on the current value of the futures contract by payments of variation margin to or from the broker or segregated account.

In the case of options on stock index futures, the holder of the option pays a premium and receives the right, upon exercise of the option at a specified price during the option period, to assume the option writer's position in a stock index futures contract. If the option is exercised by the holder before the last trading day during the option period, the option writer delivers the futures position, as well as any balance in the writer's futures margin account. If it is exercised on the last trading day, the option writer delivers to the option holder cash in an amount equal to the difference between the option exercise price and the closing level of the relevant index on the date the option expires. In the case of options on stock indexes, the holder of the option pays a premium and receives the right, upon exercise of the option at a specified price during the option period, to receive cash equal to the dollar amount of the difference between the closing price of the relevant index and the option exercise price times a specified multiple, called the "multiplier".

During a market decline or when the Adviser or Sub-Adviser anticipates a decline, a Fund may hedge a portion of its portfolio by selling futures contracts or purchasing puts on such contracts or on a stock index in order to limit exposure to the decline. This provides an alternative to liquidation of securities positions and the corresponding costs of such liquidation. Conversely, during a market advance or when the Adviser or Sub-Adviser anticipates an advance, each Fund may hedge a portion of its portfolio by purchasing futures, options on these futures or options on stock indices. This affords a hedge against a Fund not participating in a market advance at a time when it is not fully invested and serves as a temporary substitute for the purchase of individual securities which may later be purchased in a more advantageous manner.

Interest Rate Futures Contracts (All Funds, except American Independence Kansas Tax-Exempt Bond Fund and American Independence Hillcrest Small Cap Value Fund). These Funds may, to a limited extent, enter into interest rate futures contracts—i.e., contracts for the future delivery of securities or index-based futures contracts—that are, in the opinion of the Adviser or Sub-Adviser, sufficiently correlated with the Fund's portfolio. These investments will be made primarily in an attempt to manage the fixed income funds' exposure to interest rate risk (i.e., manage duration) and other bona fide hedging purposes. For example, futures may be used in lieu of buying comparable duration U.S. Treasury securities to achieve a duration target within the Fund. These Funds will engage in such transactions primarily for bona fide hedging purposes. Interest rate future contracts will not be used to leverage the portfolios and are incorporated appropriately in all measures of risk within portfolios.

Options on Interest Rate Futures Contracts (All Funds, except American Independence Kansas Tax-Exempt Bond Fund and American Independence Hillcrest Small Cap Value Fund). These Funds may purchase put and call options on interest rate futures contracts, which give a Fund the right to sell or purchase the underlying futures contract for a specified price upon exercise of the option at any time during the option period. Each Fund may also write (sell) put and call options on such futures contracts. For options on interest rate futures that a Fund writes, such Fund will receive a premium in return for granting to the buyer the right to sell to the Fund or to buy from the Fund the underlying futures contract for a specified price at any time during the option period. As with futures contracts, each Fund will purchase or sell options on interest rate futures contracts primarily for bona fide hedging purposes.

Risk of Options and Futures Contracts (All Funds except American Independence Hillcrest Small Cap Value Fund). One risk involved in the purchase and sale of futures and options is that a Fund may not be able to effect closing transactions at a time when it wishes to do so. Positions in futures contracts and options on futures contracts may be closed out only on an exchange or board of trade that provides an active market for them, and there can be no assurance that a liquid market will exist for the contract or the option at any particular time. To mitigate this risk, each Fund will ordinarily purchase and write options only if a secondary market for the options exists on a national securities exchange or in the over-the-counter market. Another risk is that during the option period, if a Fund has written a covered call option, it will have given up the opportunity to profit from a price increase in the underlying securities above the exercise price in return for the premium on the option (although the premium can be used to offset any losses or add to a Fund's income) but, as long as its obligation as a writer continues, such Fund will have retained the risk of loss should the price of the underlying security decline. Investors should note that because of the volatility of the market value of the underlying security, the loss from investing in futures transactions is potentially unlimited. In addition, a Fund has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once a Fund has received an exercise notice, it cannot effect a closing transaction in order to terminate its obligation under the option and must deliver the underlying securities at the exercise price.

The Funds' successful use of stock index futures contracts, options on such contracts and options on indices depends upon the ability of the Adviser to predict the direction of the market and is subject to various additional risks. The correlation between movements in the price of the futures contract and the price of the securities being hedged is imperfect and the risk from imperfect correlation increases in the case of stock index futures as the composition of the Funds' portfolios diverge from the composition of the relevant index. Such imperfect correlation may prevent the Funds from achieving the intended hedge or may expose the Funds to risk of loss. In addition, if the Funds purchase futures to hedge against market advances before they can invest in common stock in an advantageous manner and the market declines, the Funds might create a loss on the futures contract. Particularly in the case of options on stock index futures and on stock indices, the Funds' ability to establish and maintain positions will depend on market liquidity. The successful utilization of options and futures transactions requires skills different from those needed in the selection of the Funds' portfolio securities. The Trustees believe that the Adviser possesses the skills necessary for the successful utilization of such transactions.

The Funds are permitted to engage in bona fide hedging transactions (as defined in the rules and regulations of the Commodity Futures Trading Commission) without any quantitative limitations. Futures and related option transactions which are not for bona fide hedging purposes may be used provided the total amount of the initial margin and any option premiums attributable to such positions does not exceed 5% of each Fund's liquidating value after taking into account unrealized profits and unrealized losses, and excluding any in-the-money option premiums paid. The Funds will not market, and are not marketing, themselves as commodity pools or otherwise as vehicles for trading in futures and related options. The Funds will segregate liquid assets to cover the futures and options.

Forward Foreign Currency Exchange Contracts (American Independence Global Tactical Allocation Fund). These Funds may enter into forward foreign currency exchange contracts in order to protect against possible losses on foreign investments resulting from adverse changes in the relationship between the U.S. dollar and foreign currencies. A forward foreign currency exchange contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days (usually less than one year) from the date of the contract agreed upon by the parties, at a price set at the time of the contract. These contracts are traded in the interbank market conducted directly between currency traders (usually large commercial banks) and their customers. A forward contract generally has a deposit requirement, and no commissions are charged at any stage for trades. Although foreign exchange dealers do not charge a fee for conversion, they do realize a profit based on the difference (the spread) between the price at which they are buying and selling various currencies. However, forward foreign currency exchange contracts may limit potential gains which could result from a positive change in such currency relationships. The Fund does not speculate in foreign currency.

Except for cross-hedges, the Fund will not enter into forward foreign currency exchange contracts or maintain a net exposure in such contracts when it would be obligated to deliver an amount of foreign currency in excess of the value of its portfolio securities or other assets denominated in that currency or, in the case of a "cross-hedge", denominated in a currency or currencies that the Adviser or Sub-Adviser believes will tend to be closely correlated with that currency with regard to price movements. At the consummation of a forward contract, the Fund may either make delivery of the foreign currency or terminate its contractual obligation to deliver the foreign currency by purchasing an offsetting contract obligating it to purchase, at the same maturity date, the same amount of such foreign currency. If the Fund chooses to make delivery of the foreign currency, it may be required to obtain such currency through the sale of portfolio securities denominated in such currency or through conversion of other assets of the Fund into such currency. If the Fund engages in an offsetting transaction, the Fund will incur a gain or loss to the extent that there has been a change in forward contract prices.

It should be realized that this method of protecting the value of the Fund's portfolio securities against a decline in the value of a currency does not eliminate fluctuations in the underlying prices of the securities. It simply establishes a rate of exchange which can be achieved at some future point in time. Additionally, although such contracts tend to minimize the risk of loss due to a decline in the value of the hedged currency, at the same time they tend to limit any potential gain which might result should the value of such currency increase. Generally, the Fund will not enter into a forward foreign currency exchange contract with a term longer than one year.

Foreign Currency Options and Related Risks (American Independence Global Tactical Allocation Fund). These Funds may take positions in options on foreign currencies in order to hedge against the risk of foreign exchange fluctuation on foreign securities the Fund holds in its portfolio or which it intends to purchase. Options on foreign currencies are affected by the factors discussed in "Foreign Exchange Contracts" above, which influence foreign exchange sales and investments generally.

The value of foreign currency options is dependent upon the value of the foreign currency relative to the U.S. dollar and has no relationship to the investment merits of a foreign security. Because foreign currency transactions occurring in the inter-bank market involve substantially larger amounts than those that may be involved in the use of foreign currency options, the Fund may be disadvantaged by having to deal in an odd lot market (generally consisting of transactions of less than $1 million) for the underlying foreign currencies at prices that are less favorable than for round lots.

To the extent that the U.S. options markets are closed while the market for the underlying currencies remains open, significant price and rate movements may take place in the underlying markets that cannot be reflected in the options markets.

Limitations on Use of Derivatives (All Funds). The total notional value of all of each Fund's positions in options, futures and other instruments used for hedging is not expected to exceed the value of securities owned by that respective Fund, so that the most defensive position expected by the Fund will be a "fully hedged" position in which long and short exposures are of equal size. For purposes of these limitations, the "notional value" of a Fund's hedge position is calculated as the sum of the notional values of short futures contracts and other non-option hedges, plus the greater of the notional value of put options owned by a Fund or call options written by a Fund. The combination of a long put position and a short call option is counted as a single option position. The notional value of such a position is generally equal to 100 (depending on the contract specifications) times the value of the underlying stock index, provided that no more than one of the options is "in the money" at the time the position is initiated. Similarly, option spread and other "covered" combinations (for example, a short put options combined with a long put option) are also netted as single positions for the purpose of calculating notional value under these limitations. Other offsetting positions in derivatives may similarly be netted and treated as a single position.

Short Sales (American Independence U.S. Inflation-Protected Fund). Short sales are transactions in which the Fund sells a security it does not own in anticipation of a decline in the market value of that security. Short selling provides the Adviser or Sub-Adviser with flexibility to reduce certain risks of the Fund's holdings and increase the Fund's total return. To the extent that the Fund has sold securities short, it will either (i) maintain a daily segregated account, containing cash, U.S. government securities or other liquid and unencumbered securities, at such a level that (a) the amount deposited in the account plus the amount deposited with the broker as collateral will equal the current value of the security sold short and (b) the amount deposited in the segregated account plus the amount deposited with the broker as collateral will not be less than the market value of the security at the time it was sold short, or (ii) hold an offsetting long position.

Investing in short sales will subject the Fund to special tax rules (including mark-to-market, constructive sale, wash sale and short sale rules) the effect of which may be to accelerate income to the Fund, defer losses to the Fund, cause adjustments in the holding periods of the Fund's securities, convert long-term capital gains into short-term capital gains or convert short-term capital losses into long-term capital losses. These rules could, therefore, affect the amount, timing and character of distributions to the Fund's shareholders. Due to the nature of the Fund's investment strategies and expected high portfolio turnover rate, as discussed in the Prospectus, distributions of the Fund's net investment income may likely be short-term capital gains that are taxable at ordinary income rates (currently as high as 39.6%).

Real Estate Investment Trusts ("REITs") (All Funds, except the American Independence U.S. Inflation-Protected Fund). REITs are publicly traded corporations or trusts that specialize in acquiring, holding, and managing residential, commercial or industrial real estate. A REIT is not taxed at the entity level on income distributed to its shareholders or unitholders if it distributes to shareholders or unitholders at least 90% of its taxable income for each taxable year and complies with regulatory requirements relating to its organization, ownership, assets and income. Failure to qualify for tax-free pass-through treatment of their income under the Code or their failure to maintain an exemption from registration under the 1940 Act could affect the value of the REIT.

REITs generally can be classified as Equity REITs, Mortgage REITs and Hybrid REITs. An Equity REIT invests the majority of its assets directly in real property and derives its income primarily from rents and from capital gains on real estate appreciation which are realized through property sales. A Mortgage REIT invests the majority of its assets in real estate mortgage loans and services its income primarily from interest payments. A Hybrid REIT combines the characteristics of an Equity REIT and a Mortgage REIT.

A Fund's investment in the real estate industry subjects the Fund to risks associated with that industry. The real estate industry has been subject to substantial fluctuations and declines on a local, regional and national basis in the past and may continue to be in the future. Real property values and income from real property may decline due to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighborhoods and in demographics, increases in market interest rates, or other factors. Factors such as these may adversely affect companies which own and operate real estate directly, companies which lend to such companies, and companies which service the real estate industry.

In addition, REITs are dependent on specialized management skills and on their ability to generate cash flow for operating purposes and to make distributions to shareholders or unitholders. REITs may have limited diversification and are subject to risks associated with obtaining financing for real property, as well as to the risk of self-liquidation.

"When-Issued" and "Forward Commitment" Transactions (All Funds). The Funds may purchase securities on a when-issued and delayed-delivery basis and may purchase or sell securities on a forward commitment basis. When-issued or delayed-delivery transactions arise when securities are purchased by a Fund with payment and delivery taking place in the future in order to secure what is considered to be an advantageous price and yield to the Fund at the time of entering into the transaction. A forward commitment transaction is an agreement by a Fund to purchase or sell securities at a specified future date. When a Fund engages in these transactions, the Fund relies on the buyer or seller, as the case may be, to consummate the sale. Failure to do so may result in the Fund missing the opportunity to obtain a price or yield considered to be advantageous. When-issued and delayed-delivery transactions and forward commitment transactions may be expected to occur a month or more before delivery is due. However, no payment or delivery is made by a Fund until it receives payment or delivery from the other party to the transaction. While the Funds normally enter into these transactions with the intention of actually receiving or delivering the securities, they may sell these securities before the settlement date or enter into new commitments to extend the delivery date into the future, if the Adviser or Sub-Adviser considers such action advisable as a matter of investment strategy. Such securities have the effect of leverage on the Funds and may contribute to volatility of a Fund's net asset value.

Repurchase Agreements (All Funds). The Funds may enter into repurchase agreements with any bank and broker-dealer which, in the opinion of the Trustees, presents a minimal risk of bankruptcy. Under a repurchase agreement a Fund acquires securities and obtains a simultaneous commitment from the seller to repurchase the securities at a specified time and at an agreed upon yield. The agreements will be fully collateralized and the value of the collateral, including accrued interest, marked-to-market daily. The agreements may be considered to be loans made by the Fund, collateralized by the underlying securities. If the seller should default on its obligation to repurchase the securities, a Fund may experience a loss of income from the loaned securities and a decrease in the value of any collateral, problems in exercising its rights to the underlying securities and costs and time delays in connection with the disposition of securities. The American Independence Kansas Tax-Exempt Bond Fund may not invest more than 10%, and the other Funds may not invest more than 15% of their respective net assets in repurchase agreements maturing in more than seven business days or in securities for which market quotations are not readily available. For more information about repurchase agreements, see "Investment Policies".

Reverse Repurchase Agreements (All Funds). The Funds may also enter into reverse repurchase agreements to avoid selling securities during unfavorable market conditions to meet redemptions. Pursuant to a reverse repurchase agreement, a Fund will sell portfolio securities and agree to repurchase them from the buyer at a particular date and price. Whenever a Fund enters into a reverse repurchase agreement, it will establish a segregated account in which it will maintain liquid assets in an amount at least equal to the repurchase price marked to market daily (including accrued interest) and will subsequently monitor the account to ensure that such equivalent value is maintained. The Fund pays interest on amounts obtained pursuant to reverse repurchase agreements. Reverse repurchase agreements are considered to be borrowings by a Fund under the 1940 Act.

Loans of Portfolio Securities (All Funds). The Funds may lend their portfolio securities in an amount up to 33-1/3% of each Fund's total assets to brokers, dealers and financial institutions. The Funds will earn income for lending their securities because cash collateral pursuant to these loans will be invested in short-term money market instruments. In connection with lending securities, the Funds may pay reasonable finders, administrative and custodial fees. Loans of securities involve a risk that the borrower may fail to return the securities or may fail to provide additional collateral.

Securities loans will be made in accordance with the following conditions: (1) the Funds must receive at least 100% collateral in the form of cash or cash equivalents, securities of the U.S. Government and its agencies and instrumentalities, and approved bank letters of credit; (2) the borrower must increase the collateral whenever the market value of the loaned securities (determined on a daily basis) rises above the level of collateral; (3) the Funds must be able to terminate the loan after notice, at any time; (4) the Funds must receive reasonable interest on the loan or a flat fee from the borrower, as well as amounts equivalent to any dividends, interest or other distributions on the securities loaned, and any increase in market value of the loaned securities; (5) the Funds may pay only reasonable custodian fees in connection with the loan; and (6) voting rights on the securities loaned may pass to the borrower, provided, however, that if a material event affecting the investment occurs, the Board of Trustees must be able to terminate the loan and vote proxies or enter into an alternative arrangement with the borrower to enable the Board of Trustees to vote proxies.

The Board of Trustees has approved the Funds to loan their portfolio securities and enter into Securities Lending Agreements with the Custodians. Net revenue from securities lending activity will be used to offset the Funds' custodian expenses and to pay the cost of other operating expenses for the Funds. The net cost of the Funds' operating expenses less the net securities lending revenue will be used to calculate the Funds' expense limitations.

Illiquid Securities (All Funds). Each Fund has adopted a non-fundamental policy with respect to investments in illiquid securities. An illiquid investment is a security or other investment that cannot be disposed of within seven days in the ordinary course of business at approximately the value at which a Fund has valued the investment. Historically, illiquid securities have included securities subject to contractual or legal restrictions on resale because they have not been registered under the 1933 Act, securities that are otherwise not readily marketable and repurchase agreements having a maturity of longer than seven days. Securities that have not been registered under the 1933 Act are referred to as private placements or restricted securities and are purchased directly from the issuer or in the secondary market. Mutual funds do not typically hold a significant amount of these restricted or other illiquid securities because of the potential for delays on resale and uncertainty in valuation. Limitations on resale may have an adverse effect on the marketability of portfolio securities and a mutual fund might be unable to dispose of restricted or other illiquid securities promptly or at reasonable prices and might thereby experience difficulty satisfying redemptions within seven days. A mutual fund might also have to register such restricted securities in order to dispose of them resulting in additional expense and delay. Adverse market conditions could impede such a public offering of securities.

In recent years, however, a large institutional market has developed for certain securities that are not registered under the 1933 Act, including repurchase agreements, commercial paper, foreign securities, municipal securities and corporate bonds and notes. Institutional investors depend on either an efficient institutional market in which the unregistered security can be readily resold or on the issuer's ability to honor a demand for repayment. The fact that there are contractual or legal restrictions on resale to the general public or to certain institutions may not be indicative of the liquidity of such investments.

Each Fund may also invest in restricted securities issued under Section 4(2) of the 1933 Act, which exempts from registration "transactions by an issuer not involving any public offering". Section 4(2) instruments are restricted in the sense that they can only be resold through the issuing dealer and only to institutional investors; they cannot be resold to the general public without registration. Restricted securities issued under Section 4(2) of the 1933 Act (other than certain commercial paper issued pursuant to Section 4(2) as discussed below) will be treated as illiquid and subject to each Fund's investment restriction on illiquid securities.

Pursuant to procedures adopted by the Board of Trustees, the Funds may treat certain commercial paper issued pursuant to Section 4(2) as a liquid security and not subject to the Funds' investment restriction on illiquid investments. Section 4(2) commercial paper may be considered liquid only if all of the following conditions are met: (i) the Section 4(2) commercial paper must not be traded flat (i.e., without accrued interest) or be in default as to principal or interest; and (ii) the Section 4(2) commercial paper must be rated in one of the two highest rating categories by at least two NRSROs, or if only one NRSRO rates the security, by that NRSRO, or if the security is unrated, the security has been determined to be of equivalent quality.

The Commission has adopted Rule 144A, which allows a broader institutional trading market for securities otherwise subject to restrictions on resale to the general public. Rule 144A establishes a "safe harbor" from the registration requirements of the 1933 Act applicable to re-sales of certain securities to qualified institutional buyers. It is the intent of the Funds to invest, pursuant to procedures established by the Board of Trustees as applicable, and subject to applicable investment restrictions, in securities eligible for resale under Rule 144A which are determined to be liquid based upon the trading markets for the securities.

Pursuant to guidelines set forth by and under the supervision of the Board of Trustees, the Adviser or the Sub-Adviser will monitor the liquidity of restricted securities in a Fund's portfolio. In reaching liquidity decisions, the Adviser will consider, among other things, the following factors: (1) the frequency of trades and quotes for the security over the course of six months or as determined in the discretion of the Adviser or the Sub-Adviser, as applicable; (2) the number of dealers wishing to purchase or sell the security and the number of other potential purchasers over the course of six months or as determined in the discretion of the Adviser; (3) dealer undertakings to make a market in the security; (4) the nature of the security and the marketplace in which it trades (e.g., the time needed to dispose of the security, the method of soliciting offers and the mechanics of the transfer); and (5) other factors, if any, which the Adviser deems relevant. The Adviser will also monitor the purchase of Rule 144A securities to assure that the total of all Rule 144A securities held by a Fund does not exceed 10% of that Fund's average daily net assets. Rule 144A securities and Section 4(2) commercial paper which are determined to be liquid based upon their trading markets will not, however, be required to be included among the securities considered to be illiquid for purposes of Investment Limitation No. 1. Investments in Rule 144A securities and Section 4(2) commercial paper could have the effect of increasing Fund illiquidity.

Certain Risk Considerations (All Funds). The price per share of each of the Funds will fluctuate with changes in value of the investments held by the Fund. For example, the value of a bond Fund's shares will generally fluctuate inversely with the movements in interest rates and a stock Fund's shares will generally fluctuate as a result of numerous factors, including but not limited to investors' expectations about the economy, corporate earnings and interest rates. Shareholders of a Fund should expect the value of their shares to fluctuate with changes in the value of the securities owned by that Fund. Additionally, a Fund's investment in smaller companies may involve greater risks than investments in large companies due to such factors as limited product lines, markets and financial or managerial resources, and less frequently traded securities that may be subject to more abrupt price movements than securities of larger companies.

There is, of course, no assurance that a Fund will achieve its investment objective or be successful in preventing or minimizing the risk of loss that is inherent in investing in particular types of investment products. In order to attempt to minimize that risk, the Adviser monitors developments in the economy, the securities markets, and with each particular issuer. Also, as noted earlier, each diversified Fund is managed within certain limitations that restrict the amount of a Fund's investment in any single issuer.

Risks of Techniques Involving Leverage (All Funds). Use of leveraging involves special risks and may involve speculative investment techniques. Certain Funds may borrow for other than temporary or emergency purposes, lend their securities, enter reverse repurchase agreements, and purchase securities on a when-issued or forward commitment basis. In addition, certain Funds may engage in dollar roll transactions. Each of these transactions involves the use of "leverage" when cash made available to the Funds through the investment technique is used to make additional portfolio investments. The Funds use these investment techniques only as secondary (i.e., non-principal) investment strategies, when the Adviser or Sub-Advisers, as applicable, believe that the leveraging and the returns available to the Funds from investing the cash will provide shareholders a potentially higher return.

Leverage exists when a Fund achieves the right to a return on a capital base that exceeds the amount the Fund has invested. Leverage creates the risk of magnified capital losses, which occur when losses affect an asset base that has been enlarged by borrowings or the creation of liabilities that exceed the equity base of the Fund. Leverage may involve the creation of a liability that requires the Fund to pay interest (for instance, reverse repurchase agreements) or the creation of a liability that does not entail any interest costs (for instance, forward commitment transactions). The risks of leverage include a higher volatility of the net asset value of a Fund's shares and the relatively greater effect on the net asset value of the shares caused by favorable or adverse market movements or changes in the cost of cash obtained by leveraging and the yield obtained from investing the cash. So long as a Fund is able to realize a net return on its investment portfolio that is higher than interest expense incurred, if any, leverage will result in higher current net investment income being realized by such Fund than if the Fund were not leveraged. On the other hand, interest rates change from time to time as does their relationship to each other depending upon such factors as supply and demand, monetary and tax policies and investor expectations. Changes in such factors could cause the relationship between the cost of leveraging and the yield to change so that rates involved in the leveraging arrangement may substantially increase relative to the yield on the obligations in which the proceeds of the leveraging have been invested. To the extent that the interest expense involved in leveraging approaches the net return on a Fund's investment portfolio, the benefit of leveraging will be reduced, and, if the interest expense on borrowings were to exceed the net return to shareholders, such Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged. Similarly, the effect of leverage in a declining market could be a greater decrease in net asset value per share than if a Fund were not leveraged. In an extreme case, if a Fund's current investment income were not sufficient to meet the interest expense of leveraging, it could be necessary for such Fund to liquidate certain of its investments at an inappropriate time. The use of leverage may be considered speculative.

Risk of Investing in Kansas Municipal Obligations (American Independence Kansas Tax-Exempt Bond Fund). The following discussion highlights some of the more important economic and financial trends and considerations affecting Kansas Obligations and is based on information from official statements, prospectuses and other publicly available documents relating to, among other things, securities offerings of the State of Kansas, its agencies and instrumentalities, Certified Annual Financial Reports, state and industry trade publications, Internet postings, newspaper articles, other public documents relating to securities offerings of Kansas issuers, and other historically reliable sources, as available on the date of this Statement of Additional Information. The Adviser has not independently verified any of the information contained in these statements or other documents. The Adviser makes no representations or warranties regarding the completeness or accuracy of such information.

Bond Ratings. The state incurs debt through the issuance of revenue bonds mainly to finance capital improvements, equipment, certain grant programs, and reducing the unfunded liability of the KPERS Fund. The use of debt financing for operating expenses in state government is limited. The constitution allows for the issuance of general obligation bonds subject to certain restrictions. However, the state has not exercised this authority for many years.

The most recent issuer credit ratings for the State of Kansas are AA- by Standard and Poor's and Aa2 by Moody's Corporation.

On February 8, 2017, Standard & Poor's Global Ratings revised the outlook on Kansas' AA-minus credit rating to negative from stable, citing weak economic trends and structural budget pressures. The credit rating agency faulted the state for its continuous use of one-time revenue measures to shore up operational spending. For the upcoming biennial budget, nonrecurring measures include a plan to sell bonds backed by Kansas' share of a nationwide settlement with U.S. tobacco companies, liquidation of a capital reserve, and pension underfunding, S&P said. Further, S&P said, "We believe the next two years will remain pressured and the proposed budget does not adequately provide solutions to Kansas' ongoing structural deficits." The S&P analyst added that Kansas has a one in three chance of a credit rating downgrade in the next two years. The Kansas budget is feeling the effects of action taken by Governor Sam Brownback and the Republican-controlled legislature in recent years to cut corporate and other income taxes to help the state compete with bordering Missouri and other states for business development and jobs.

On June 8, 2017, Moody's affirmed the State of Kansas' issuer rating at Aa2 and revised the outlook to stable from negative. In its assessment, Moody's stated that "The revision of the outlook to stable…is the result of a significant income tax increase the state passed earlier this week. The additional revenues from the tax increase will reduce the state's fiscal problems to more manageable dimensions that are consistent with similarly rated states. Kansas is a slow-growing state with above-average long-term liabilities. Between its pension funding challenges, pressure to spend more on schools, and stagnant revenue growth, the state is likely to be a below-average performer for the next few years, an expectation captured in the current rating category."

Economic Forecast for Kansas. On November 17, 2017, the Kansas Legislative Research Department released its consensus budget baseline estimates for the coming year, and the information provided below is taken directly from that report. Several major economic variables and indicators have been adjusted downward since the Consensus Group last convened in April, especially Gross State Product (GSP) and Kansas Personal Income (KPI). The estimated rate of expansion in the nation's economy has increased slightly, but the forecasted growth in the Kansas economy has been reduced. Real U.S. Gross Domestic Product (GDP) is now expected to grow by 2.1 percent in 2017, up from the previous forecast of 1.8 percent growth, while real Kansas GSP growth for 2017 has been reduced from 1.8 to 0.2 percent. Forecasted growth in U.S. real GDP for calendar year (CY) 2018 is now estimated at 2.5 percent in comparison to forecasted real growth of 1.5 percent in the state's economy.

Additional information taken directly from the economic forecast for Kansas for the fiscal years 2018 and 2019 can be found below:

Personal Income. The previous 4.0 percent growth estimate for CY 2017 KPI has now been reduced to 1.5 percent, and estimated CY 2018 KPI growth has been reduced from 4.1 to 3.1 percent. The latest national estimates call for U.S. personal income (USPI) growth of 4.0 percent in CY 2017 and 4.3 percent in CY 2018, with both estimates unchanged since April.

Individual Income Tax. The Department of Revenue's fiscal note estimates that the provisions of 2017 SB 30 will combine to produce an additional $591.0 million in receipts by the end of FY 2018 (beyond the amount that would have been collected had that legislation not been enacted). But because of the timing of various provisions of that new law, an even greater percentage of individual income tax receipts is likely to be received during the latter months of the fiscal year than normal. Special language in the new law provides that taxpayers will not be assessed any penalties or interest relative to underpayments associated with the restoration of taxation to non-wage business income or with changes in rates, provided the underpayments have been rectified by April 17, 2018. Drawing meaningful conclusions about the accuracy of the overall income tax estimate during much of the fiscal year, therefore, remains extremely problematic, especially during the summer and fall months. Given the level of uncertainty regarding estimated payments made thus far and how they relate to the final reconciliation of liabilities expected to occur next spring, as well as the implementation of new withholding tables this summer and fall, the current estimate was left unchanged for FY 2018 (and virtually unchanged for FY 2019) until data on returns actually filed under the new law are available. Even though receipts from this source were exceeding the forecast through October, it is important to note that the 2017 and 2018 forecasted growth in Kansas Personal Income and Gross State Product has been reduced. The Consensus Group will continue working with the Department of Revenue over the winter and early spring to monitor receipts and the impact of the new law prior to the revision of revenue estimates again in mid-April. But any final determination as to the accuracy of the $591.0 million estimate will not be available until after the conclusion of FY 2018 next June 30. The current FY 2019 estimate includes $633.0 million of additional revenue attributable to the provisions of SB 30.

Employment. The Kansas Department of Labor reports employment has remained stagnant since early 2015. The most recent monthly data show that total Kansas private sector employment from September 2016 to September 2017 had decreased by 2,900 jobs, while public sector jobs decreased by 900 jobs. Sectors with largest amount of job losses over the last year include trade, transportation, and utilities. Real hourly earnings in Kansas increased by 0.2 percent over the same 12-month period, while real hourly earnings were up by 0.7 percent at the national level. The overall Kansas labor force did increase by 0.6 percent from September 2016 to September 2017. Very modest, but geographically uneven growth in employment is expected to occur in the Wichita area, where labor markets remain tight, through 2018. The state unemployment forecast now calls for a rate of 3.7 percent in CY 2017 before increasing to 3.8 percent in 2018 and 4.1 percent in 2019.

Agriculture. Net farm income from grain and livestock is predicted to decline in 2017 and with only normal yields predicted for the dominate crops in Kansas, the value of production is forecast to be at its lowest level since 2009. Only modest increases in commodity prices are expected over the forecast period. Data from the Kansas Farm Management Association (KFMA) associated with Kansas State University show lower net farm income in 2017 compared to 2016 and predicts that only moderate net income increases through 2020. There continues to be pressure on farm finances with rising debt/asset ratios, higher costs of production, and lower prices have significantly affected farmers' ability to repay debt.

Oil and Gas. Oil and natural gas prices have declined significantly since FY 2014, as has production of both commodities. Oil production, which was over 49.4 million barrels as recently as FY 2015, is now expected to be only 33.0 million barrels by the end of the forecast period. The forecasted price per taxable barrel of Kansas crude is now $42 for FY 2018 and $41 for FY 2019. For perspective, the final actual price as recently as FY 2014 was $93.79 per barrel. Gas production, which was 297.3 million Mcf in FY 2015, is now expected to be only 185.0 million Mcf by FY 2019 as production from the Hugoton Field continues to decline.

Inflation Rate. The Consumer Price Index for All Urban Consumers (CPI-U) is expected to increase by 1.9 percent in both 2017 and 2018, which is slightly lower than the 2.1 percent estimated for both years in April.

Interest Rates. The Pooled Money Investment Board (PMIB) is authorized to make investments in U.S. Treasury and Agency securities, highly rated commercial paper and corporate bonds, repurchase agreements, and certificates of deposit in Kansas banks. Low idle-fund balances in recent years have required the PMIB to maintain a highly liquid portfolio, which reduces the amount of return available to the pool. The state is expected to earn 1.12 percent on its SGF portfolio for FY 2018 and 1.20 percent for FY 2019 (compared with a 4.26 percent rate as recently as FY 2008).

State General Fund Receipts Estimates FY 2018. The revised estimate of SGF receipts for FY 2018 is $6.814 billion, an increase of $108.3 million above the previous estimate. The estimate for total taxes was increased by $102.4 million, while the estimate for non-tax sources was increased $5.9 million. Total taxes had been running $104.8 million above the previous forecast through October. The overall revised estimate is approximately $474.7 million, or 7.5 percent, above actual FY 2017 receipts.

State General Fund Receipts Estimates FY 2019. For FY 2019, SGF receipts are expected to decrease by 0.4 percent (heavily influenced by a change in net transfers), while total taxes are expected to increase by 2.2 percent.

Because the American Independence Kansas Tax-Exempt Bond Fund will concentrate its investments in Kansas Municipal Obligations, it may be affected by political, economic or regulatory factors that may impair the ability of Kansas issuers to pay interest on or to repay the principal of their debt obligations. Kansas Municipal Obligations may be subject to greater price volatility than municipal obligations in general as a result of the effect of supply and demand for these securities which, in turn, could cause greater volatility in the value of the shares of the Fund.

INVESTMENT LIMITATIONS

The following restrictions apply to each Fund. Unless otherwise indicated, only Investment Restriction Nos. 2, 3, 4, 6, 7, 11 and 15 are fundamental policies of the Funds, which can be changed only when permitted by law and approved by a majority of the Funds' outstanding voting securities. The non-fundamental investment restrictions can be changed by approval of a majority of the Board of Trustees. A "majority of the outstanding voting securities" means the lesser of (i) 67% of the shares represented at a meeting at which more than 50% of the outstanding shares are represented in person or by proxy, or (ii) more than 50% of the outstanding shares.

Each Fund, except as indicated, may not:

1. Invest more than 15% of the value of its net assets in investments which are illiquid;

2. Borrow money or pledge, mortgage or hypothecate its assets, except that a Fund may enter into reverse repurchase agreements or borrow from banks up to 33-1/3% of the current value of its net assets for temporary or emergency purposes or to meet redemptions. Each Fund has adopted a non-fundamental policy to limit such borrowing to 10% of its net assets and those borrowings may be secured by the pledge of not more than 15% of the current value of its total net assets (but investments may not be purchased by the Fund while any such borrowings exist), except as permitted by the 1940 Act, or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction;

3. Issue senior securities, except insofar as a Fund may be deemed to have issued a senior security in connection with any repurchase agreement or any permitted borrowing, except as permitted by the 1940 Act, or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction;

4. Make loans, except as permitted by the 1940 Act, or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction;

5. The Funds may invest in securities issued by other investment companies that invest in the types of securities in which the particular Fund itself is permitted to invest. The Funds may not invest in securities of any registered investment company, except to the extent permitted under the 1940 Act, or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction or exemptive orders;

6. Invest in real property (including limited partnership interests but excluding real estate investment trusts and master limited partnerships, debt obligations secured by real estate or interests therein, and securities issued by other companies that invest in real estate or interest therein); invest in physical commodities, except that the Funds may invest in currency and financial instruments and contracts in accordance with its investment objective and policies, including, without limitation, structured notes, futures contracts, swaps, options on commodities, currencies, swaps and futures, ETFs, investment pools and other instruments, regardless of whether such instrument is considered to be a commodity;

7. Engage in the business of underwriting securities of other issuers, except to the extent that the disposal of an investment position may technically cause it to be considered an underwriter as that term is defined under the 1933 Act;

8. Sell securities short, except to the extent that a Fund contemporaneously owns or has the right to acquire at no additional cost securities identical to those sold short;

9. Except with respect to the American Independence Global Tactical Allocation Fund, purchase securities on margin, except that a Fund may obtain such short-term credits as may be necessary for the clearance of purchases and sales of securities;

10. Except with respect to the American Independence Global Tactical Allocation Fund, purchase or retain the securities of any issuer, if those individual officers and Trustees of the Trust, the Adviser, or the Distributor, each owning beneficially more than 1/2 of 1% of the securities of such issuer, together own more than 5% of the securities of such issuer;

11. Purchase a security if, as a result, more than 25% of the value of its total assets would be invested in securities of one or more issuers conducting their principal business activities in the same industry, provided that (a) this limitation shall not apply to obligations issued or guaranteed by the U.S. Government or its agencies and instrumentalities; (b) wholly-owned finance companies will be considered to be in the industries of their parents; and (c) utilities will be divided according to their services. For example, gas, gas transmission, electric and gas, electric, and telephone will each be considered a separate industry;

12. Except with respect to the American Independence Global Tactical Allocation Fund, invest more than 5% of its net assets in warrants which are unattached to securities, included within that amount, no more than 2% of the value of the Fund's net assets, may be warrants which are not listed on a U.S. stock exchange;

13. Write, purchase or sell puts, calls or combinations thereof, except that the Funds may purchase or sell puts and calls as otherwise described in the Prospectus or SAI; however, the Funds will invest no more than 5% of its total assets in these classes of securities for purposes other than bona fide hedging;

14. Except with respect to the American Independence Global Tactical Allocation Fund, invest more than 5% of the current value of its total assets in the securities of companies which, including predecessors, have a record of less than three years' continuous operation (except (a) obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities or (b) municipal securities which are rated by at least two NRSRO's or determined by the Adviser to be of a comparable rating) provided each Fund may invest all or a portion of its assets in another open end management investment company with substantially the same investment objective, policies and investment restrictions as the Fund; or

15. Except with respect to the American Independence Kansas Tax-Exempt Bond Fund, which are non-diversified funds, with respect to 75% of its assets, purchase a security if as a result, (a) more than 5% of its total assets would be invested in any one issuer other than the U.S. Government or its agencies or instrumentalities, or (b) a Fund would own more than 10% of the outstanding voting securities of such issuers.

As a matter of fundamental policy, notwithstanding any limitation otherwise noted, each Fund is authorized to seek to achieve its investment objectives by investing all of its investable assets in an investment company having substantially the same investment objectives and policies as the Fund subject to the 1940 Act.

Except as set forth in the investment limitation on borrowing and the investment limitation on illiquid securities, if a percentage restriction on investment policies or the investment or use of assets set forth in the Prospectus or SAI are adhered to at the time a transaction is effected, later changes in percentage resulting from changing assets values will not be considered a violation. If events subsequent to a transaction result in the Fund exceeding the percentage limitation on illiquid securities, the Adviser will take appropriate steps to reduce the percentage held in illiquid securities, as may be required by law, within a reasonable amount of time.

It is the intention of the Funds, unless otherwise indicated, that with respect to the Funds' policies that are the result of the application of law the Funds will take advantage of the flexibility provided by rules or interpretations of the SEC currently in existence or promulgated in the future or changes to such laws.

PORFOLIO TURNOVER

The portfolio turnover rate for each of the Funds is calculated by dividing the lesser of purchases or sales of portfolio securities for the reporting period by the monthly average value of the portfolio securities owned during the reporting period. The calculation excludes all securities, including options, whose maturities or expiration dates at the time of acquisition are one year or less.

Under certain market conditions, a Fund may experience high portfolio turnover rates as a result of the investment strategy. Portfolio investments may be sold for a variety of reasons, such as a more favorable investment opportunity or other circumstances bearing on the desirability of continuing to hold such investments. Higher portfolio turnover rates (100% or more) can result in corresponding increases in brokerage commissions and other transaction costs which must be borne by a Fund and ultimately by its shareholders. Portfolio turnover rates for the Funds may vary greatly from year to year as well as within a particular year, and may be affected by cash requirements for redemption of shares and by requirements which enable the Funds to receive favorable tax treatment. Portfolio turnover will not be a limiting factor in making portfolio decisions for each Fund, and each Fund may engage in short-term trading to achieve its investment objectives and adhere to its investment strategy.

For the fiscal years ended October 31, 2017 and 2016, the portfolio turnover rates for the Funds are presented in the table below. Variations in turnover rate may be due to a fluctuating volume of shareholder purchase and redemption orders, market conditions, or changes in the Adviser's or Sub-Advisers' investment strategy.

	For the Years Ended October 31	
Fund	**2017**	**2016**
American Independence Global Tactical Allocation Fund	138%	129%
American Independence Kansas Tax-Exempt Bond Fund	9%	10%
American Independence Carret Core Plus Fund	37%	61%
American Independence U.S. Inflation-Protected Fund	134%	173%
American Independence Hillcrest Small Cap Value Fund(1)	74%	32%

(1) The American Independence Hillcrest Small Cap Value Fund commenced operations on December 31, 2015. The turnover data for 2016 includes only the ten months ending October 31, 2016.

During the current or future fiscal years, the turnover rate may be higher or lower.

MANAGEMENT OF THE FUNDS

Trustees and Officers

The Board of Trustees governs the Trust. The Trustees are responsible for generally overseeing the conduct of the Trust's business. The Board of Trustees (the "Board" or "Trustees") is composed of persons experienced in financial matters who meet throughout the year to oversee the activities of the Funds. In addition, the Trustees review contractual arrangements with companies that provide services to the Trust and review the Funds' performance. The officers of the Trust are responsible for the Funds' operations. The Trust is composed of five funds, all of which are listed in this SAI.

The business and affairs of the Trust are managed under the general supervision of the Board in accordance with the laws of the State of Delaware and the Trust's Trust Instrument and Bylaws. Information pertaining to the Trustees and officers of the Trust is set forth below. Trustees who are deemed to be "interested persons" of the Trust as defined in the 1940 Act are referred to as "Interested Trustees". Trustees who are not deemed to be "interested persons" of the Trust are referred to as "Independent Trustees".

Each Trustee's and officer's address is c/o American Independence Funds Trust, 75 Virginia Road, Box 14, North White Plains, New York 10603. Each Trustee holds office until (i) the annual meeting next after her/his election and until her/his successor shall have been duly elected and qualified; (ii) she/he shall have resigned; or (iii) she/he is removed by the Trust's shareholders in accordance with the Trust's Bylaws. Each officer holds office for one year and until her/his successor shall have been elected and qualified. Each Trustee oversees the five funds of the Trust. The following table also discloses whether a Trustee serves as a director of any company that is required to report to the SEC under the Securities Exchange Act of 1934 (i.e., "public companies") or other investment companies registered under the 1940 Act.

Trustees:

Name and Age	Position Held with Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Funds in Trust Overseen by Trustee	Other Directorships Held by Trustee
Independent Trustees:					
Jeffrey Haas Age: 56	Chairman of the Board and Trustee	Indefinite/ Since Inception	Professor of Law, New York Law School (Since 1996)	5	None
George Mileusnic Age: 63	Trustee	Indefinite/ Since Inception	Retired. Formerly Chief Financial Officer of Caribou Coffee, Inc. (2001-2008)	5	4[(1)]
Dennis Foley[(2)] Age: 59	Trustee	Indefinite/ 9/2016-Present	Treasurer & Chief Investment Officer at Weil, Gotshal & Manges (Since 2004)	5	None
Interested Trustee:					
Darlene DeRemer[(3)] Age: 62	Interested Trustee	Indefinite/ 11/2015-Present	Managing Partner and co-founder of Grail Partners (since 2005)	5	4[(4)]

(1) Mr. Mileusnic also serves on the Board of Trustees for North American State Bank, New Market Bank, and two non-profit organizations.

(2) On September 20, 2016, Mr. Foley was elected by the Trustees to serve as an Independent Trustee to the American Independence Funds Trust, subject to shareholder approval.

(3) Ms. DeRemer is considered to be an Interested Trustee due to her position with Grail Partners, which is the investment adviser to The Chalice Fund, a private investment fund, which is a "control" person (as defined in the 1940 Act) of the Adviser of the Trust.

(4) Ms. DeRemer also serves on the Board of Trustees for Syracuse University (and is chair of the Endowment Committee), ARK Investments LLC (board chair), United Capital Financial Adviser, LLC, and Hillcrest Capital Management, LLC.

Officers:

Name, Age and Position(s) Held	Length of Time Served as Fund Officer	Principal Occupation During Past 5 Years
Darlene DeRemer Age: 62 President and Chief Executive Officer of the Trust	Since 7/2017	Managing Partner and co-founder of Grail Partners (since 2005)
Jane A. Kanter Age: 68 Secretary	Since 2/2018	Chief Counsel of Grail Partners, Manifold Partners and Manifold Fund Advisors LLC (since November 2017); General Counsel and Chief Operating Officer of ARK Investment Management LLC (June 2014-September 2016); Partner Dechert LLP (1997- 2014)
Thaddeus (Ted) Leszczynski Age: 71 Chief Compliance Officer	Since 2/2015	Founding member of Compliance Solutions Associates LLC (since September 2009)
Terrance Gallagher Age: 59 Treasurer	Since 3/2016	Executive Vice President, Director of Fund Accounting & Administration, UMB Fund Services, Inc. (since 2007)

Each Trustee or officer may be contacted by writing to the Trustee or officer, c/o Manifold Fund Advisors, LLC, 75 Virginia Road, Box 14, North White Plains, New York 10603.

Additional Information About the Trustees. In addition to the information set forth above, the following specific experience, qualifications, attributes and skills apply to each Trustee. Each Trustee was appointed to serve on the Board based on his/her overall experience and the Board did not identify any specific qualification as all-important or controlling. The information in this section should not be understood to mean that any of the Trustees is an "expert" within the meaning of the federal securities laws.

Professor Jeffrey J. Haas. Professor Haas has been an Independent Trustee of the Trust since July 2005 and was elected as Chairman of the Board on January 24, 2014. He previously served as an Independent Trustee of the HSBC Funds from 1999 to 2002. Since May 2000 he has been a Professor of Law at The New York Law School. From July 1996 to April 2000 he was an Associate Professor of Law at The New York Law School. The courses that Professor Haas has taught include securities regulation, mergers and acquisition, mutual fund regulation, corporate finance and corporations. From 1988 to 1993 he was a Corporate Attorney at Cravath, Swaine & Moore. He has authored and co-authored numerous books and publications in such areas as Investment Advisor Regulation, Securities Act Rules 144 and 145, fiduciary duties of Directors and Public Offerings. He has been quoted in over 75 different publications worldwide, including the New York Times and Wall Street Journal and has appeared on CBS Evening News, CNBC Nightly Business Report, CNN and National Public Radio. Professor Haas received his B.S. in Finance and Classical Civilizations from Florida State University in 1984 and his JD from the University of Pennsylvania in 1988. He was selected as a Trustee based on his business experience, knowledge of the securities law and previous service as an independent mutual fund director.

George Mileusnic. Mr. Mileusnic has been an Independent Trustee of the Trust since March 2006. Mr. Mileusnic served as an Independent Trustee to the Predecessor Funds since their inception in November 1996. Mr. Mileusnic, currently retired, previously served as Chief Financial Officer for Caribou Coffee from 2001-2008. From 1989 to 1996 he was Chief Financial Officer and from 1996 to 1998 he served as Executive Vice President of The Coleman Company. From 1978 to 1989 he served as Financial

Analyst, Director, Acquisitions, Controller, Grain Merchandising Division and Senior Vice President for Pillsbury/Burger King (Burger King was a subsidiary of Pillsbury). Mr. Mileusnic currently serves on the Board of Directors of North American State Bank (a local community bank in Minnesota), New Market Bank, and two non-profit organizations. Mr. Mileusnic has also served on the Boards of Directors of Cool Clean, Inc. and Top Hat Inc. Mr. Mileusnic graduated from Carleton College with a BA in Economics in 1976 and an M.B.A. in Accounting from the University of Chicago in 1978. Mr. Mileusnic was selected as a Trustee based on his experience in finance and accounting, with over 30 years of senior financial management, and his service as a Board Member for numerous other companies.

Dennis Foley. Mr. Foley currently serves as the Treasurer and Chief Investment Officer at Weil, Gotshal & Manges. He has held this position since 2004. He was named chairman of the investment committee directly responsible for overseeing the firm's $750 million pension fund. From 1998 to 2003, Mr. Foley was a Vice President at TIAA-CREF, where he directed and led the growth of TIAA-CREF's mutual fund & annuity business from inception into a $3.5 billion operation. From 1993 to 1998, Mr. Foley was a Vice President in TIAA-CREF's Research & Development department and, from 1987 to 1992, Mr. Foley was a Marketing Officer at TIAA-CREF. Mr. Foley has a B.S. in Business Administration from New Jersey City University. He completed the Direct Marketing Certificate Program from New York University and a Certificate in Investment Education & Behavioral Finance from Harvard University.

Darlene T. DeRemer. Ms. DeRemer is Managing Partner of Grail Partners ("Grail"), which she founded in 2005 along with Mr. Donald H. Putnam. Grail is an advisory merchant bank serving the investment management industry from offices in Boston, New York and San Francisco; Grail partners have worked on over 250 strategic transactions involving asset management businesses over two decades. In addition to heading up Grail's Boston office, Ms. DeRemer is the senior banker focusing on the asset management industry worldwide and has advised clients in a wide range of strategic transactions. Prior to becoming an investment banker at Putnam Lovell NBF in 2003, Ms. DeRemer spent twenty-five years as a leading adviser to the financial services industry, specializing in strategic marketing, planning, product design and the implementation of innovative service strategies. Her work on outsourcing and use of technology has transformed her fund company clients. She has participated in numerous fund company asset management restructuring transactions. Since shifting to investment banking full time, Ms. DeRemer has led or participated in a score of advisory transactions. Her current clients include sale and purchase mandates for institutional and mutual fund managers in the U.S., as well as restructuring assignments for alternative investment firms that seek to tap the public markets in the U.S. and abroad. Ms. DeRemer ran NewRiver's eBusiness Advisory unit for four years, until 2003, prior to which she operated her own strategy firm in asset management, DeRemer & Associates, for eighteen years. Founded in 1987, DeRemer & Associates was the first consultancy focused on the U.S. mutual fund industry. From 1985 to 1987, Ms. DeRemer was Vice President and Director in the Asset Management Division of State Street Bank & Trust Company (now State Street Global Advisors) where she managed the $4 billion Pension Real Estate Department and developed Marketing Communications and Client Service programs. Before joining State Street, Ms. DeRemer was a Vice President at T. Rowe Price & Associates from 1982 to 1985. Ms. DeRemer's career started in strategic planning, at Tiger International and its subsidiary, Flying Tiger Airlines. Ms. DeRemer earned a BS in Finance and Marketing in 1977 summa cum laude and Master of Business Administration (MBA) degree in 1979 with distinction from Syracuse University. She graduated Beta Gamma Sigma (Phi Beta Kappa analogous).

Board Committees and Meetings. The Board had four regularly scheduled meetings and one special meeting in 2017; and intends to hold four regularly scheduled meetings in 2018.

Audit Committee. The Trust has an Audit Committee, consisting of all Trustees who are not "interested persons" (as defined in the 1940 Act) of the Trust. The Audit Committee, whose members are Messrs.

Haas, Mileusnic, and Foley, makes recommendations to the Trustees as to the engagement or discharge of the Trust's independent auditors, supervises investigations into matters relating to audit functions, reviews with the Trust's independent auditors the results of the audit engagement, and considers the audit fees. Mr. Mileusnic serves as the Chairman of the Audit Committee. In the last fiscal year ended October 31, 2017, the Audit Committee met twice.

Nominating Committee. The Trust has a Nominating Committee, whose members are Messrs. Haas, Mileusnic, and Foley. Mr. Haas serves as the Chairman of the Nominating Committee. There are no regular meetings of the Nominating Committee but rather meetings are held as appropriate. The Nominating Committee evaluates the qualifications of Trustee candidates and nominates candidates to the full Board. The Nominating Committee will consider nominees for the position of Trustee recommended by shareholders. The Nominating Committee also considers candidates from among the Trustees to serve as Chairperson of the Board and annually reviews the compensation of the Trust's independent trustees. In 2017, the Nominating Committee did not hold a meeting.

Shareholder Nominations. The Board will consider shareholder nominees for Trustees. All nominees must possess the appropriate characteristics, skills and experience for serving on the Board. In particular the Board and its Independent Trustees will consider each nominee's integrity, education, professional background, understanding of the Trust's business on a technical level and commitment to devote the time and attention necessary to fulfill a Trustee's duties. All shareholders who wish to recommend nominees for consideration as Trustees shall submit the names and qualifications of the candidates to the Secretary of the Trust by writing to: American Independence Funds Trust, 75 Virginia Road, Box 14, North White Plains, New York 10603.

Risk Oversight. As registered investment companies, the Funds are subject to a variety of risks, including, among others, investment risks, financial risks, compliance risks and operational risks. The Funds' investment adviser and administrator, Manifold Fund Advisors, and UMB Fund Services as Sub-Administrator, have primary responsibility for the Funds' risk management on a day-to-day basis as part of their overall responsibilities. The Funds' sub-advisers (and Adviser in the case of the American Independence Global Tactical Allocation Fund) are primarily responsible for managing investment risk as part of their day-to-day investment management responsibilities, as well as operational risks at their respective firms. The Funds' investment adviser and Chief Compliance Officer also assist the Board in overseeing the significant investment policies of the Funds and monitor the various compliance policies and procedures approved by the Board as a part of its oversight responsibilities.

In discharging its oversight responsibilities, the Board considers risk management issues throughout the year by reviewing regular reports prepared by the Funds' investment adviser and Chief Compliance Officer, as well as special written reports or presentations provided on a variety of risk issues, as needed. For example, the investment adviser reports to the Board quarterly on the investment performance of the Funds, the financial performance of the Funds, overall market and economic conditions, and legal and regulatory developments that may impact the Funds. The Funds' Chief Compliance Officer, who reports directly to the Board's Independent Trustees, provides presentations to the Board at its quarterly meetings and an annual report to the Board concerning (i) compliance matters relating to the Funds, the Funds' investment adviser and sub-advisers, and the Funds' other key service providers; (ii) regulatory developments; (iii) business continuity programs; and (iv) various risks identified as part of the Funds' compliance program assessments. The Funds' Chief Compliance Officer also meets at least quarterly in executive session with the Independent Trustees and communicates significant compliance-related issues and regulatory developments to the Audit Committee between Board meetings.

In addressing issues regarding the Funds' risk management between meetings, appropriate representatives of the investment adviser communicate with the Chairman of the Trust, the Chairman of the Audit Committee or the Funds' Chief Compliance Officer. As appropriate, the Trustees confer among themselves, or with the Funds' Chief Compliance Officer, the investment adviser, other service providers and independent legal counsel, to identify and review risk management issues that may be placed on the full Board's agenda.

The Board also relies on its committees to administer the Board's oversight function. The Audit Committee assists the Board in reviewing with the investment adviser and the Funds' independent auditors, at various times throughout the year, matters relating to the annual audits, financial accounting and reporting matters, and the internal control environment at the service providers that provide financial accounting and reporting for the Funds. The Audit Committee also meets annually with representatives of the Adviser to review the results of internal audits of relevance to the Funds. The Valuation Committee reviews and makes recommendations concerning the fair valuation of portfolio securities and the Funds' pricing procedures in general. These and the Board's other committees present reports to the Board that may prompt further discussion of issues concerning the oversight of the Funds' risk management. The Board may also discuss particular risks that are not addressed in the committee process.

Share Ownership in the Fund Complex. The following table sets forth, as of December 31, 2017, any ownership by a Trustee or their immediate family members in the Funds.

Name of Trustee	Dollar Range of Equity Securities in the Funds
Jeffrey Haas	Over $100,000[1]
George Mileusnic	None
Darlene DeRemer	Over $100,000[2]
Dennis Foley	None

(1) The breakdown held per Fund by Mr. Haas is as follows: American Independence U.S. Inflation-Protected Fund: over $50,000; American Independence Global Tactical Allocation Fund: over $100,000.

(2) Ms. DeRemer holds her entire position in the American Independence Hillcrest Small Cap Value Fund.

No Independent Trustee held securities in the investment adviser or principal underwriter of the Trust, or a person directly or indirectly controlling, controlled by, or under common control with an investment adviser or principal underwriter of the Trust.

Board Compensation. Trustees who are not officers, directors or employees of Manifold Fund Advisors or the Distributor receive from the Trust, an annual fee of $6,000 and a fee of $1,500 for each Board meeting attended, $1,000 for each telephonic or Committee meeting attended, and reimbursement for expenses incurred as a Trustee. The Chairman of the Board receives an additional fee of $1,000 for each Board meeting attended. The Chairman of the Audit Committee receives an additional fee of $1,000 for each Audit Committee attended. Below is the compensation received as of the most recently completed fiscal year, October 31, 2017.

Name of Person, Position	Aggregate Compensation from Funds[1]	Pension or Retirement Benefits Accrued as Part of Funds Expenses	Estimated Annual Benefit Upon Retirement
Interested Trustee:			
Darlene DeRemer	$ 0	N/A	N/A
Independent Trustees:			
Jeffrey Haas	$21,500	N/A	N/A
George Mileusnic	$18,500	N/A	N/A
Dennis Foley	$16,500	N/A	N/A

(1) The Aggregate Compensation from the Funds includes all funds in the Trust during the fiscal year ended October 31, 2017.

Codes of Ethics

The Trust, the Adviser and the Trust's principal underwriter, Matrix, have each adopted a Code of Ethics under Rule 17j-1 under the 1940 Act that permits investment personnel subject to the particular Code to invest in securities, including securities that may be purchased or held by the Funds, for their own accounts. These Codes of Ethics are filed as exhibits to the Trust's registration statement on Form N-1A and are on public file with, and are available from, the SEC's Public Reference Room in Washington, D.C.

Proxy Voting Policy and Procedures

The Trust has contractually delegated to the Adviser, subject to Board oversight, the responsibility for voting proxies relating to portfolio securities held by any Fund. The Trust has delegated proxy voting to the Adviser with the direction that proxies should be voted in a manner consistent with the best interests of a Fund and its shareholders. The Adviser has adopted its own proxy voting policies and procedures for this purpose. These policies and procedures include specific provisions to resolve conflicts of interest that may arise between the interests of a Fund and the Adviser or its affiliates. Copies of the proxy voting policies and procedures are attached to this SAI as Appendix B.

Information (if any) regarding how a Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge by calling the Funds at 1-(866)-410-2006, and (ii) on the SEC's website at http://www.sec.gov.

INVESTMENT ADVISORY AND OTHER SERVICES

Investment Adviser

Manifold Fund Advisors, LLC ("Manifold Fund Advisors") serves as investment adviser to the Funds pursuant to an Investment Advisory Agreement dated November 20, 2015 between the Trust and Manifold Fund Advisors. Manifold Fund Advisors is a Delaware limited liability company and is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Manifold Fund Advisors is based at 75 Virginia Road, Box 14, North White Plains, New York 10603 and as of December 31, 2017, Manifold Fund Advisors managed approximately $562 million in assets in both mutual funds and separately managed accounts.

Pursuant to obligations under the Investment Advisory Agreement, Manifold Fund Advisors also provides certain administrative services necessary for the Funds' operations including; (i) coordination of the services performed by the Funds' transfer agent, custodian, independent accountants and legal counsel; (ii) regulatory compliance, including the compilation of information for documents such as reports to, and filings with, the SEC and state securities commissions; (iii) preparation of proxy statements and shareholder reports for the Funds; (iv) general supervision relative to the compilation of data required for the preparation of periodic reports distributed to the Funds' officers and Board of Trustees; and (v) furnishing office space and certain facilities required for conducting the business of the Funds.

Under the Investment Advisory Agreement, Manifold Fund Advisors has oversight responsibility for the day-to-day management of the Funds. Mr. Charles McNally of Manifold Fund Advisors is responsible for the oversight of the Sub-Advisers. Mr. McNally serves as the Portfolio Manager for the American Independence Global Tactical Allocation Fund. Biographical information on Mr. McNally can be found in the "Portfolio Manager Information" section of this SAI.

Investment Advisory Agreement and Fees. The following table shows the advisory fees that Manifold Fund Advisors, in its capacity as investment adviser, is entitled to receive from the Funds, calculated daily and paid monthly at the following annual rates, as a percentage of each respective Fund's average daily net assets.

Fund	Advisory Fee
American Independence Global Tactical Allocation Fund	0.75%
American Independence Kansas Tax-Exempt Bond Fund	0.30%
American Independence Carret Core Plus Fund	0.40%
American Independence U.S. Inflation-Protected Fund	0.40%
American Independence Hillcrest Small Cap Value Fund	1.00%

The following table shows the sub-advisory fees that Manifold Fund Advisors pays to the Sub-Advisers from the advisory fees received. The Sub-Advisers also share half of any Fund's expenses waived and reimbursed by the Adviser.

Fund	Sub-Advisory Fee
American Independence U.S. Inflation-Protected Fund	0.20%
American Independence Hillcrest Small Cap Value Fund	0.50%[1]
American Independence Kansas Tax-Exempt Bond Fund	$125,000 on the first $200 million in average net assets plus 0.195% on average net assets in excess of $200 million
American Independence Carret Core Plus Fund	0.20% on average net assets up to and including $100 million 0.24% on average net assets in excess of $100 million

(1) American Independence Hillcrest Small Cap Value Fund: The Fee may be less than 0.50% under circumstances agreed upon by the Adviser and Sub-Adviser, based upon criteria such as the Fund being in expense reimbursement status; shareholder retention; new shareholder asset growth; and other relevant criteria agreed upon between the parties.

Manifold Fund Advisors has overall supervisory responsibilities for the general management and investment of the Funds' securities portfolio, which are subject to review and approval by the Board of Trustees. Such responsibilities include (a) setting the Funds' investment objective; (b) evaluating, selecting and recommending a Sub-Adviser to manage the assets if it finds it appropriate; (c) monitoring and evaluating the performance of the Sub-Adviser, including their compliance with the investment objectives, policies and restrictions of the Funds; and (d) implementing procedures to ensure that the Sub-Adviser complies with the Funds' investment objectives, policies and restrictions. (For the American Independence Global Tactical Allocation Fund, Manifold Fund Advisors serves as the adviser; there is no sub-adviser.)

Under the Investment Advisory Agreement, the Adviser shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Trust in connection with the performance of such Agreement, and the Trust has agreed to indemnify the Adviser against any claims or other liabilities arising out of any such error of judgment or mistake or loss. The Adviser shall remain liable, however, for any loss resulting from willful misfeasance, bad faith, or negligence on the part of the Adviser in the performance of its duties or from its reckless disregard of its obligations and duties under the Investment Advisory Agreement.

Unless sooner terminated, the Investment Advisory Agreement will continue in effect through August 31, 2018. The Investment Advisory Agreement will continue from year to year after its anticipated termination date if such continuance is approved at least annually by the Board or by the affirmative vote of a majority of the outstanding shares of the affected Fund or Funds, provided that in either event such Agreement's continuance also is approved by a majority of the Trustees who are not parties to such Agreement, or "interested persons" (as defined in the 1940 Act) of any such party, by votes cast in person at a meeting called for the purpose of voting on such approval. The Investment Advisory Agreement may be terminated by the Trust or the Adviser on 30 days' written notice and will terminate immediately in the event of its assignment.

The Adviser earned the following fees during the past three fiscal years ended October 31:

	Fees Earned			Waived and Reimbursed		
Fund	**2017**	**2016**	**2015**	**2017**	**2016**	**2015**
American Independence Global Tactical Allocation Fund	849,169	615,791	329,119	317,597	260,523	173,297
American Independence Kansas Tax-Exempt Bond Fund	552,112	585,299	588,443	236,681	235,816	227,660
American Independence Carret Core Plus Fund	214,708	376,282	437,583	223,022	274,027	298,179
American Independence U.S. Inflation-Protected Fund	1,172,238	987,018	870,136	1,067,863	896,319	804,280
American Independence Hillcrest Small Cap Value Fund*	58,003	20,775	N/A	117,924	70,898	N/A

* The American Independence Hillcrest Small Cap Value Fund commenced operations on December 31, 2015.

Board Approval of the Investment Advisory Agreements for the Funds. Manifold Fund Advisors' compensation under the Investment Advisory Agreement may be reduced in any year if a Fund's expenses exceed the limits on investment company expenses imposed by any statute or regulatory authority of any jurisdiction in which shares of the fund are qualified for offer or sale. The term "expenses" is defined in the statutes or regulations of such jurisdictions, and generally excludes brokerage commissions, taxes, interest, extraordinary expenses and, if a Fund has a distribution plan, payments made under such plan.

Under the Investment Advisory Agreement, Manifold Fund Advisors may reduce its compensation to the extent that the Funds' expenses exceed such lower expense limitation as Manifold Fund Advisors may, by notice to a Fund, declare to be effective. For the purpose of determining any such limitation on Manifold Fund Advisors' compensation, expenses of a Fund shall not reflect the application of commissions or cash management credits that may reduce designated fund expenses. The terms of any expense limitation from time to time in effect are described in the Prospectus. In addition, Manifold Fund Advisors has agreed to waive fees and reimburse expenses of the Funds to the extent necessary to ensure that the Funds pay total fund operating expenses at the following rates through March 1, 2018 for all Funds:

Fund	**Class A**	**Class C**	**Institutional Class**	**Premier Class**
American Independence Global Tactical Allocation Fund	1.33%	1.95%	0.95%	N/A
American Independence Kansas Tax-Exempt Bond Fund	0.87%	1.48%	0.48%	N/A
American Independence Carret Core Plus Fund	0.80%	N/A	0.45%	N/A
American Independence U.S. Inflation-Protected Fund	0.77%	1.32%	0.32%	0.47%
American Independence Hillcrest Small Cap Value Fund	1.63%	2.25%	1.25%	N/A

In considering the Investment Advisory Agreement, the Trustees considered numerous factors they believe to be relevant, including a comparison of the fees and expenses of other similarly managed funds, the

Adviser's research and decision-making processes, the methods adopted to assure compliance with the Funds' investment objectives, policies and restrictions; the level of research required to select the securities appropriate for investment by the funds; the education, experience and number of advisory personnel; the level of skill and effort required to manage the fund; the value of services provided by the Adviser; the economies and diseconomies of scale reflected in the management fee; the Adviser's potential profitability; the financial condition and stability of the Adviser; the Adviser's trade allocation methods; the standards and performance in seeking best execution; allocation for brokerage and research and use of soft dollars.

Sub-Advisers

To assist in the daily management of the Funds' portfolios, the Adviser has entered in sub-advisory agreements on behalf of four Funds. The three sub-advisers include Carret Asset Management, LLC ("Carret") for the American Independence Kansas Tax-Exempt Bond Fund and the American Independence Carret Core Plus Fund; BNP Paribas Asset Management USA, Inc. ("BNPP AM") for the American Independence U.S Inflation-Protected Fund; and Hillcrest Asset Management, LLC ("Hillcrest") for the American Independence Hillcrest Small Cap Value Fund.

The Sub-Advisory Agreements will continue in effect for a period beyond two years from the date of their execution so long as such continuance is approved annually (i) by the holders of a majority of the outstanding voting securities of the Trust or by the Board of Trustees, and (ii) by a majority of the Trustees who are not parties to such Contract or "interested persons" (as defined in the 1940 Act) of any such party. The Sub-Advisory Agreements may be terminated without penalty by vote of the Trustees or the shareholders of the Trust, or by the Adviser, or the Sub-Adviser, on 60 days' written notice by either party to the Contract and will terminate automatically if assigned.

Each Sub-Adviser is responsible for reviewing, supervising and administering the investment program of their respective Fund in accordance with the investment objectives, policies, and limitations, subject to the general supervision and control of the Adviser and the Board and the officers of the Trust.

Under the Investment Advisory Agreement, Manifold Fund Advisors has oversight responsibility for the day-to-day management of the Fund.

Carret Asset Management, LLC. Manifold Fund Advisors has engaged Carret Asset Management, LLC as sub-adviser to the American Independence Kansas Tax-Exempt Bond Fund and the American Independence Carret Core Plus Fund. Carret is located at 320 Park Avenue, 18th Floor, New York, NY 10022. On a day-to-day basis, Jason Graybill and Neil Klein are responsible for the management of the American Independence Kansas Tax-Exempt Bond Fund and the American Independence Carret Core Plus Fund. For more about the portfolio manager, please see the section below titled "PORTFOLIO MANAGER INFORMATION".

BNP Paribas Asset Management USA, Inc. Manifold Fund Advisors has engaged BNP Paribas Asset Management USA, Inc. ("BNPP AM"), a New York corporation founded in 1972, as sub-adviser to the American Independence U.S. Inflation-Protected Fund. BNPP AM specializes in managing U.S. and global fixed income and equity portfolios for institutional clients including central banks and official institutions, public and corporate employee pension funds, insurance companies, endowments, foundations and hospitals. As of November 30, 2017, BNPP AM managed approximately $50.4 billion of discretionary and non-discretionary assets. BNPP AM's New York office is located at 200 Park Avenue, New York, New York 10166. BNPP AM is a wholly-owned subsidiary of BNP Paribas Asset Management USA Holdings Inc., a New York corporation, which is indirectly owned by BNP Paribas, a publicly owned banking corporation organized under the laws of the Republic of France. Mr. Cedric Scholtes is the portfolio manager primarily responsible for the day-to-day management of the American Independence U.S. Inflation-Protected Fund.

For more about the portfolio manager, please see the section below titled “PORTFOLIO MANAGER INFORMATION”.

Hillcrest Asset Management, LLC. Manifold Fund Advisors has engaged Hillcrest Asset Management, LLC as sub-adviser to the American Independence Hillcrest Small Cap Value Fund. Hillcrest, located at 2805 Dallas Parkway, Suite 250, Plano, TX 75093, is an investment management firm registered with the SEC under the Advisers Act. Hillcrest manages the day-to-day investment and the reinvestment of the assets of the Fund in accordance with the investment objectives, policies, and limitations of the Fund, subject to the general supervision and control of the Adviser, the Fund’s Board and the officers of the Trust. On a day-to-day basis, the investment team, consisting of Mr. Brian Bruce, Mr. Douglas Stark and Mr. Brandon Troegle, is primarily responsible for the management of the Fund. For more about the portfolio manager, please see the section below titled “PORTFOLIO MANAGER INFORMATION”.

Distributor

Matrix 360 Distributors, LLC (“Matrix”), located at 4520 Main Street, Suite 1425, Kansas City, MO 64111, serves as the Fund’s distributor (the “Distributor”), also known as the “principal underwriter”, pursuant to a Distribution Agreement amongst Matrix, the Trust and the Adviser. Under a Distribution Agreement, the Distributor acts as the agent of the Trust in connection with the continuous offering of shares of the Funds. The Distributor continually distributes shares of the Funds on a best efforts basis. The Distributor has no obligation to sell any specific quantity of a Fund’s shares. The Distributor and its officers have no role in determining the investment policies or which securities are to be purchased or sold by the Funds.

The Distributor may enter into agreements with selected broker-dealers, banks or other financial intermediaries for distribution of shares of the Funds. With respect to certain financial intermediaries and related fund “supermarket” platform arrangements, the Funds and/or the Adviser, rather than the Distributor, typically enter into such agreements. These financial intermediaries may charge a fee for their services and may receive shareholder service or other fees from parties other than the Distributor. These financial intermediaries may otherwise act as processing agents and are responsible for promptly transmitting purchase, redemption and other requests to the Funds. Please see “Distribution and Related Service Plans” below for further details.

The Distributor does not receive compensation from the Funds for its distribution services except the distribution/service fees with respect to the shares of those classes for which a Rule 12b-1 distribution plan is effective. The Adviser pays the Distributor a fee for certain distribution-related services. For the year ended October 31, 2017, the Funds paid in aggregate $5,773 to the Distributor.

Administration Services

Manifold Fund Advisors also provides certain administrative services necessary for the Funds’ operations. For the year ended October 31, 2017, the fees for the services provided under such agreement were calculated based on each Fund’s average daily net assets at an annual rate of 0.125%.

For the three years ended October 31, the Administrator earned the following fees:

Fund	2017	2016	2015
American Independence Global Tactical Allocation Fund	$141,528	$102,632	$54,853
American Independence Kansas Tax-Exempt Bond Fund	$230,047	$243,875	$245,185
American Independence Carret Core Plus Fund	$67,096	$117,588	$136,745
American Independence U.S. Inflation-Protected Fund	$366,324	$308,443	$271,918
American Independence Hillcrest Small Cap Value Fund*	$7,251	$2,597	N/A

* The American Independence Hillcrest Small Cap Value Fund commenced operations on December 31, 2015.

Sub-Administration Services. Manifold Fund Advisors has entered into an agreement with UMB Fund Services ("UMB"), whereby UMB provides sub-administration services for a fee accrued daily and paid monthly, on aggregate net assets of the Funds.

Custodian, Transfer Agent and Dividend Disbursing Agent

INTRUST Bank, N.A., located at 105 North Main Street, Wichita, Kansas 67202, acts as custodian to the American Independence Global Tactical Allocation Fund, the American Independence Carret Core Plus Fund, the American Independence Hillcrest Small Cap Value Fund, and the American Independence Kansas Tax-Exempt Bond Fund. UMB Bank, N.A., located at 923 Grand Blvd., Kansas City, MO 64106, acts as custodian to the American Independence U.S. Inflation-Protected Fund. Boston Financial Data Systems ("BFDS"), located at 30 Dan Road, Canton, MA 02021, acts as transfer agent for the Funds. The Funds compensate BFDS for providing personnel and facilities to perform transfer agency related services for the Funds.

Expenses

Except as noted below, Manifold Fund Advisors bears all expenses in connection with the performance of its advisory and administrative services. Each Fund bears its owns expenses incurred in its operations, including: organizational costs; taxes; interest; fees (including fees paid to its Trustees and officers); SEC fees; state securities qualification fees; costs of preparing and printing prospectuses for regulatory purposes and for distribution to existing shareholders; advisory fees; administration fees and expenses; charges of the custodians, transfer agent and fund accountant; certain insurance premiums; outside auditing and legal expenses; fees of independent pricing services; costs of shareholders' reports and shareholder meetings; and any extraordinary expenses. Each Fund also pays for brokerage fees and commissions, if any, in connection with the purchase of its portfolio securities.

Fee Waivers. The Adviser has agreed in writing to limit the expenses of the Funds to the amount indicated in the Prospectus until March 1, 2018. These limits do not include any taxes, brokerage commissions, interest on borrowings, extraordinary expenses, acquired fund fees or short sale dividend and interest expenses.

Independent Registered Public Accounting Firm, Counsel and Chief Compliance Officer

Grant Thornton LLP, located at 171 N. Clark Street, Suite 200, Chicago, IL 60601, has been appointed independent registered public accounting firm for the Trust. Grant Thornton LLP audits the Funds' Annual Financial Statements and provides other related services.

Dechert LLP, 1095 Avenue of the Americas, New York, NY 10036-6797, serves as counsel to the Trust.

The Trust has contracted with Compliance Solutions Associates LLC ("CSA"), located at 126 Indian Hill Road, Bedford, NY 10506-1207, to provide services with respect to the monitoring of the Trust's compliance program pursuant to Rule 38a-1 under the 1940 Act. CSA has designated Thaddeus ("Ted") Leszczynski as the Trust's Chief Compliance Officer. For these services, the Trust pays CSA a monthly fee, plus any out-of-pocket expenses.

PORTFOLIO MANAGER INFORMATION

Portfolio Managers. On a day-to-day basis, the following individuals are jointly and primarily responsible for the management of the Funds:

American Independence Global Tactical Allocation Fund

Charles McNally. Mr. McNally joined Manifold Fund Advisors as Chief Portfolio Strategist in early 2013. For thirteen years, he was a founding member and became a portfolio manager and head of manager research for the Fund of Funds and Institutional Advisory Group at Lyster Watson & Company, a pioneer firm in advising hedge fund investors. Prior to that, he headed research and development for a proprietary equity statistical arbitrage strategy at Jefferies Group, following a role as senior trader at a quantitative hedge fund. He started his career in the fixed-income portfolio strategy research group at Goldman Sachs & Company, and later advised the firm's institutional clients on using fixed-income futures and options for hedging and portfolio applications. He moved to Salomon Brothers to become product manager for their fixed-income futures and options customer business and traded fixed income and foreign exchange at CS First Boston, before moving into investment management. Mr. McNally earned a Sc.B. in Applied Mathematics, magna cum laude, from Brown University, and continued his studies in pure and applied mathematics at Cambridge University (as a Churchill Scholar) and at New York University's Courant Institute of Mathematical Sciences.

American Independence Kansas Tax-Exempt Bond Fund

Neil D. Klein. Mr. Klein was born in 1965 and graduated from Pennsylvania State University in 1987, with a Bachelor of Science degree in AgriBusiness Management and from Temple University, Fox School of Business with a Master of Business Administration (MBA) degree. Mr. Klein has been a Senior Managing Director and Senior Portfolio Manager of Carret Asset Management, LLC since May of 2008. From July 2005 through May 2008, Mr. Klein was a Senior Portfolio Manager of Abner, Herrman & Brock, LLC.

Jason R. Graybill. Mr. Graybill was born in 1970 and graduated from Towson University in 1992, with a Bachelor of Science degree in Business Administration and from University of Baltimore with a Master of Science in Finance in 1994. Mr. Graybill has been a Senior Managing Director and Senior Portfolio Manager of Carret Asset Management, LLC since May of 2008. From January 1995 through May 2008, Mr. Graybill was a Managing Director and Senior Portfolio Manager of Abner, Herrman & Brock, LLC. Mr. Graybill has been a Chartered Financial Analyst (CFA®) since 1998.

American Independence Carret Core Plus Fund

Neil D. Klein. See Mr. Klein's information under American Independence Kansas Tax-Exempt Bond Fund.

Jason R. Graybill. See Mr. Graybill's information under American Independence Kansas Tax-Exempt Bond Fund.

American Independence U.S. Inflation-Protected Fund

Cedric Scholtes is Portfolio Manager and responsible for the day-to-day management of the American Independence U.S. Inflation-Protected Fund. He joined BNP Paribas Asset Management (BNPP AM), formerly Fischer Francis Trees & Watts, in June 2006 as a portfolio manager in the Governments and Inflation Team. He manages interest rate businesses with an emphasis on BNPP AM's central bank portfolios. Mr. Scholtes came from Goldman Sachs where he was a vice president in the Inflation Trading Group, Fixed Income Commodities & Currencies Division. His responsibilities included formulating and implementing trading strategies, making markets in inflation-linked securities and building inflation-market analytical tools. Before Goldman Sachs, he spent six years as a trader/analyst at both the Bank of England, where he worked on the Foreign Exchange Reserves Management Staff, and the Federal Reserve Bank of New York on the Treasury Market Policy Staff. Mr. Scholtes holds a Master degree in Finance and Economics from Warwick Business School, a Master in Economics from the London School of Economics, and a Masters and Bachelor of Arts in Economics from the University of Cambridge.

American Independence Hillcrest Small Cap Value Fund

Brian R. Bruce. Mr. Bruce is Chief Executive Officer and Chief Investment Officer of Hillcrest Asset Management, LLC. Prior to Hillcrest, Mr. Bruce worked at Putnam/PanAgora Asset Management as Chief Investment Officer. Mr. Bruce's other industry experience includes various executive positions at State Street Global Advisors and Northern Trust Company. Mr. Bruce received an MS in Computer Science from DePaul University and a Master of Business Administration from University of Chicago.

Douglas Stark, CFA. Mr. Stark is Managing Director of Portfolio Management and Research of Hillcrest Asset Management, LLC. Prior to Hillcrest, Mr. Stark was Director of Research at Martingale Asset Management and prior to that, he was Senior Vice President and Portfolio Manager at InterCoast Capital. Mr. Stark also worked at State Street Global Advisors as Vice President International Stocks and Currency Management. Mr. Stark earned his Master of Business Administration from Columbia University.

Brandon Troegle, CFA. Mr. Troegle is Managing Director of Fundamental Analysis and Portfolio Research of Hillcrest Asset Management, LLC. Prior to Hillcrest, Mr. Troegle worked as an Equity Analyst and a Securities Analyst at Morningstar and Bank of America, respectively. Prior to Bank of America, he worked at Luther King Capital Management in Investment Research. Mr. Troegle earned his Master of Business Administration at Cox School of Business, Southern Methodist University.

Beneficial Ownership by Portfolio Manager. As of December 31, 2017, the portfolio managers responsible for the day to day management of the Funds owned the following shares of each Fund.

Portfolio Manager	Dollar Range of Equity Securities in the Funds
Brandon Troegle	None
Brian R. Bruce	None
Cedric Scholtes	None
Charles McNally	$5,000 - $10,000
Douglas Stark	None
Jason R. Graybill	None
Neil D. Klein	None

Account Management Disclosures. Including the Funds, the portfolio managers are responsible for the day-to-day management of certain other accounts, including other affiliated funds in the Trust, as of December 31, 2017, except where indicated, as follows:

	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
Portfolio Manager	**Accts.**	**Total Assets**	**Accts.**	**Total Assets**	**Accts.**	**Total Assets**
Brandon Troegle	2	$450,192,640	1	$12,370,422	11	$161,159,893
Brian R. Bruce	2	$450,192,640	1	$12,370,422	11	$161,159,893
Cedric Scholtes	1	$191,590,000	0	$0	11	$7,163,120,000
Charles McNally	1	$144,827,089	1	$9,400,000	0	$0
Douglas Stark	2	$450,192,640	1	$12,370,422	11	$161,159,893
Jason R. Graybill	1	$49,000,000	0	$0	1240	$1,600,000,000
Neil D. Klein	1	$222,000,000	0	$0	1240	$1,600,000,000

The following table provides the number of accounts and total assets for those accounts shown above for which advisory fees were earned on the performance of such account:

	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
Portfolio Manager	**Accts.**	**Total Assets**	**Accts.**	**Total Assets**	**Accts.**	**Total Assets**
Brandon Troegle	0	$0	0	$0	0	$0
Brian R. Bruce	0	$0	0	$0	0	$0
Cedric Scholtes	0	$0	0	$0	4	$1,318,020,000
Charles McNally	0	$0	0	$0	0	$0
Douglas Stark	0	$0	0	$0	0	$0
Jason R. Graybill	0	$0	0	$0	24	$20,100,000
Neil D. Klein	0	$0	0	$0	24	$20,100,000

Manager Compensation. Each portfolio manager's compensation consists primarily of a fixed base salary and a discretionary cash bonus. The bonus compensation will be reviewed annually and will be determined by a number of factors including, the relative investment performance of the portfolios versus the benchmark upon which the Funds are compared, before taxes, for a one year period of time; the consistency of the portfolio manager's performance, the total value of the assets managed by the portfolio managers, the profitability of the investment advisor and the portfolio manager's contribution to profitability and the trends in industry compensation and levels.

Each Portfolio Manager also receives employee benefits, which may include health care and other insurance benefits as well as participation in the 401(k) program.

The structure of the portfolio manager's compensation may be modified from time to time to reflect, among other things, changes in responsibilities or the competitive environment.

Conflicts of Interest. Actual or potential conflicts of interest may arise when a portfolio manager has management responsibilities to more than one account (including the Fund). Manifold Fund Advisors manages potential conflicts between funds or with other types of accounts through allocation policies and procedures, internal review processes and oversight by directors and independent third parties to ensure that no client, regardless of type or fee structure, is intentionally favored at the expense of another. Allocation policies are designed to address potential conflicts in situations where two or more funds or accounts participate in investment decisions involving the same securities.

The Portfolio Managers make investment decisions for each portfolio based on the investment objectives, policies, practices and other relevant investment considerations that the manager believes are applicable to that portfolio. Consequently, the portfolio managers may purchase or (sell) securities for one portfolio and not another portfolio. Manifold Fund Advisors has adopted policies and procedures which it believes are reasonably designed to address any potential conflicts.

SHARES OF BENEFICIAL INTEREST

The American Independence Funds Trust was organized as a Delaware business trust on October 7, 2004, and currently consists of five series, all of which are offered in this SAI. The Board of Trustees may establish additional series in the future. The capitalization of the Trust consists solely of an unlimited number of shares of beneficial interest with a par value of $0.001 each. When issued, shares of the Fund are fully paid and non-assessable.

All Funds offer Class A shares and Institutional Class shares. In addition to those two classes, the American Independence Global Tactical Allocation Fund, the American Independence Kansas Tax-Exempt Bond Fund, the American Independence U.S. Inflation-Protected Fund, and the American Independence Hillcrest Small Cap Value Fund offer Class C shares. The American Independence U.S. Inflation-Protected Fund also offers Premier Class shares. Purchases may be made through an authorized broker or financial institution, including a Fund, by mail or by wire. Call 1-866-410-2006, or contact your sales representative, broker-dealer or bank to obtain more information about the Funds' shares.

The Trust's shares do not have cumulative voting rights, so that the holders of more than 50% of the outstanding shares may elect the entire Board of Trustees, in which case the holders of the remaining shares would not be able to elect any Trustees.

As of December 31, 2017, no person owned of record, or to the knowledge of management beneficially owned, five percent or more of the outstanding shares of the respective Fund or classes except as set forth below:

Fund Name	Name and Address of Beneficial Owner	Shares Outstanding	Percent of Fund by Class
CARRET CORE PLUS FUND CLASS A	WELLS FARGO CLEARING SERVICES A/C 1186-4240 2801 MARKET ST SAINT LOUIS MO 63103-2523	1,201.63	12.22%
	NFS LLC FEBO NFS/FMTC ROLLOVER IRA FBO GAYLE A MATEER 27816 SE 26TH WAY SAMMAMISH WA 98075-4113	3,530.82	35.90%
	NFS LLC FEBO NFS/FMTC IRA FBO DAVID H JOHNSON 5571 ORIOLE ST KALAMAZOO MI 49004-9634	2,429.28	24.70%
	STIFEL NICOLAUS & CO INC A/C 6482-6433 JIMMY L DUNCAN IRA 501 NORTH BROADWAY ST LOUIS MO 63102-2188	2,099.96	21.35%

Fund Name	Name and Address of Beneficial Owner	Shares Outstanding	Percent of Fund by Class
	STIFEL NICOLAUS & CO INC A/C 2050-6208 CHARLES L JONES IRA 501 NORTH BROADWAY ST LOUIS MO 63102-2188	568.831	5.78%
CARRET CORE PLUS FUND INST CLASS	RELIANCE TRUST COMPANY FBO INTRUST EB R/R PO BOX 28004 ATLANTA GA 30358-0004	485,076.98	10.65%
	RELIANCE TRUST COMPANY FBO RIS-100 R/R PO BOX 48529 ATLANTA GA 30362-1529	843,399.77	18.52%
	RELIANCE TRUST COMPANY FBO INTRUST NON-EB C/C PO BOX 28004 ATLANTA GA 30358-0004	1,416,518.22	31.11%
	RELIANCE TRUST COMPANY FBO INTRUST NON-EB C/R PO BOX 28004 ATLANTA GA 30358-0004	1,629,701.16	35.79%
KANSAS TAX-EXEMPT BOND FUND CL A	LPL FINANCIAL OMNIBUS CUSTOMER ACCOUNT ATTN MUTUAL FUND TRADING 4707 EXECUTIVE DR SAN DIEGO CA 92121-3091	208,284.20	19.87%
	ROBERT W BAIRD & CO INC A/C 2124-5961 777 E WISCONSIN AVE MILWAUKEE WI 53202-5300	211,902.19	20.21%
	ROBERT W BAIRD & CO INC A/C 5788-8377 777 E WISCONSIN AVE MILWAUKEE WI 53202-5300	325,657.76	31.06%
	ROBERT W BAIRD & CO INC A/C 2586-0255 777 EAST WISCONSIN AVENUE MILWAUKEE WI 53202-5391	62,135.64	5.93%
	ROBERT W BAIRD & CO INC A/C 3678-2608 777 EAST WISCONSIN AVENUE MILWAUKEE WI 53202-5391	62,487.12	5.96%
KANSAS TAX-EXEMPT BOND FUND CL C	ELAINE E GILE TOD BENE ON FILE SUBJECT TO BFDS TOD RULES 8710 E BRENTMOOR ST WICHITA KS 67206-2406	3,172.87	5.11%

Fund Name	Name and Address of Beneficial Owner	Shares Outstanding	Percent of Fund by Class
	LPL FINANCIAL OMNIBUS CUSTOMER ACCOUNT ATTN MUTUAL FUND TRADING 4707 EXECUTIVE DR SAN DIEGO CA 92121-3091	16,593.15	26.71%
	WELLS FARGO CLEARING SERVICES A/C 5282-8894 2801 MARKET ST SAINT LOUIS MO 63103-2523	3,736.27	6.01%
	ROBERT W BAIRD & CO INC A/C 5476-3589 777 EAST WISCONSIN AVENUE MILWAUKEE WI 53202-5391	34,403.93	55.38%
KANSAS TAX-EXEMPT BOND FUND INST CL	NFS LLC FEBO MICHAEL D STULTZ 4000 W 6TH ST STE B LAWRENCE KS 66049-3205	1,059,504.48	7.19%
	RELIANCE TRUST COMPANY FBO INTRUST NON-EB C/C PO BOX 28004 ATLANTA GA 30358-0004	2,666,525.84	18.09%
	RELIANCE TRUST COMPANY FBO INTRUST NON-EB C/R PO BOX 28004 ATLANTA GA 30358-0004	9,820,753.32	66.62%
U.S. INFLATION-PROTECTED FUND CL I	NATIONWIDE TRUST COMPANY FSB C/O IPO PORTFOLLO ACCOUNTING PO BOX 182029 COLUMBUS OH 43218-2029	861,703.37	5.90%
	NATIONAL FINANCIAL SERVICES CORPORATION FOR THE EXCLUSIVE BENEFIT OF OUR CUSTOMERS 200 LIBERTY ST 1 FINANCIAL CENT ATTN MUTUAL FUNDS 5TH FL NEW YORK NY 10281	9,686,619.09	66.31%
	WELLS FARGO BANK FBO VARIOUS RETIREMENT PLANS 9888888836 NC 1151 1525 WEST WT HARRIS BLVD CHARLOTTE NC 28288-1076	822,185.52	5.63%
	CHARLES SCHWAB & CO INC SPECIAL CUSTODY ACCT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS ATTN MUTUAL FUNDS 101 MONTGOMERY ST SAN FRANCISCO CA 94104-4151	1,735,166.34	11.88%

Fund Name	Name and Address of Beneficial Owner	Shares Outstanding	Percent of Fund by Class
U.S. INFLATION-PROTECTED FUND CL A	NATIONWIDE TRUST COMPANY FSB C/O IPO PORTFOLLO ACCOUNTING PO BOX 182029 COLUMBUS OH 43218-2029	731,951.31	33.49%
	KEY BANK N.A. KALEIDA HEALTH MASTER INVESTMENT TRUST (5000476.5) PO BOX 94871 CLEVELAND OH 44101-4871	188,982.73	8.65%
	WELLS FARGO CLEARING SERVICES A/C 6893-5114 2801 MARKET ST SAINT LOUIS MO 63103-2523	139,200.25	6.37%
	ATTN NPIO TRADE DESK DCGT AS TTEE AND/OR CUST FBO PLIC VARIOUS RETIREMENT PLANS OMNIBUS 711 HIGH ST DES MOINES IA 50392-0001	398,463.63	18.23%
U.S. INFLATION-PROTECTED FUND CL P	PERSHING LLC P O BOX 2052 JERSEY CITY NJ 07303-2052	5,556.11	5.34%
	PERSHING LLC P O BOX 2052 JERSEY CITY NJ 07303-2052	6,616.26	6.36%
	WELLS FARGO CLEARING SERVICES A/C 3687-5019 2801 MARKET ST SAINT LOUIS MO 63103-2523	11,574.76	11.13%
GLOBAL TACTICAL ALLOC CL I	CHARLES SCHWAB & CO INC SPECIAL CUSTODY ACCT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS ATTN MUTUAL FUNDS 101 MONTGOMERY ST SAN FRANCISCO CA 94104-4151	748,420.12	11.57%
GLOBAL TACTICAL ALLOC CL A	LPL FINANCIAL OMNIBUS CUSTOMER ACCOUNT ATTN MUTUAL FUND TRADING 4707 EXECUTIVE DR SAN DIEGO CA 92121-3091	451,546.24	8.42%
	CHARLES SCHWAB & CO INC SPECIAL CUSTODY ACCT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS ATTN MUTUAL FUNDS 101 MONTGOMERY ST SAN FRANCISCO CA 94104-4151	648,152.03	12.09%

Fund Name	Name and Address of Beneficial Owner	Shares Outstanding	Percent of Fund by Class
GLOBAL TACTICAL ALLOC CL C	LPL FINANCIAL OMNIBUS CUSTOMER ACCOUNT ATTN MUTUAL FUND TRADING 4707 EXECUTIVE DR SAN DIEGO CA 92121-3091	21,642.58	6.11%
HILLCREST SMALL CAP VALUE FUND INST	NFS LLC FEBO LAL FAMILY INVESTMENT PTP LP A PARTNERSHIP MILLARD MANAGEMENT CO LLC 13030 PIERCE ST OMAHA NE 68144-1123	98,702.72	26.03%
	UBS FINANCIAL SERVICES INC FBO LABORERS INTL UNION NORTH AMERICA LOCAL 300 2005 PICO BLVD LOS ANGELES CA 90006-5010	20,721.33	5.46%
	TD AMERITRADE FBO BETTY J NIPPER 2012 IRREVOCABLE TRU UA DEC 20 2012 BETTY J NIPPER TR 2600 MCGREGOR BLVD FORT MYERS FL 33901	21,471.53	5.66%
	TD AMERITRADE FBO DAVID E NIPPER 2012 IRREVOCABLE TRU UA DEC 20 2012 PAUL F NIPPER & LAURIE A HEINTZ 2600 MCGREGOR BLVD FORT MYERS FL 33901	21,471.53	5.66%
	CHARLES SCHWAB & CO INC SPECIAL CUSTODY A/C FBO CUSTOMERS ATTN MUTUAL FUNDS 211 MAIN ST SAN FRANCISCO CA 94105-1905	63,872.38	16.84%
	NFS LLC FEBO FIIOC AS AGENT FOR QUALIFIED EMPLOYEE BENEFIT PLANS (401K) FINOPS-IC FUNDS 100 MAGELLAN WAY # KW1C COVINGTON KY 41015-1987	37,412.23	9.87%
HILLCREST SMALL CAP VALUE FUND CL A	LPL FINANCIAL FBO CUSTOMER ACCOUNTS ATTN MUTUAL FUND OPERATIONS PO BOX 509046 SAN DIEGO CA 92150-9046	35,301.38	77.78%
	CHARLES SCHWAB & CO INC SPECIAL CUSTODY A/C FBO CUSTOMERS ATTN MUTUAL FUNDS 211 MAIN STREET SAN FRANCISCO CA 94105-1905	8,905.87	19.62%

Fund Name	Name and Address of Beneficial Owner	Shares Outstanding	Percent of Fund by Class
HILLCREST SMALL CAP VALUE FUND CL C	LPL FINANCIAL FBO CUSTOMER ACCOUNTS ATTN MUTUAL FUND OPERATIONS PO BOX 509046 SAN DIEGO CA 92150-9046	998.878	100.00%

The Funds do not know the extent to which other holders of record were beneficial owners of shares indicated.

BROKERAGE ALLOCATION

Subject to the general supervision and approval of the Board of Trustees, the Adviser and Sub-Advisers are responsible for making decisions with respect to and placing orders for all purchases and sales of portfolio securities for the Funds.

Investment decisions for the Funds are made independently from those for other accounts advised or managed by the Adviser. Such other accounts may also invest in the same securities as the Funds. When a purchase or sale of the same security is made at substantially the same time on behalf of one of the Funds and such other accounts, the transaction will be averaged as to price, and available investments allocated as to amount, in a manner which the Adviser or Sub-Adviser believes to be equitable to that Fund and such other accounts. In some instances, this investment procedure may adversely affect the price paid or received by a Fund or the size of the position obtainable or sold for the Fund. To the extent permitted by law, the Adviser or Sub-Adviser may aggregate the securities to be sold or purchased for the Funds with those to be sold or purchased for such other accounts in order to obtain the best execution.

Transactions by a Fund on U.S. stock exchanges involve the payment of negotiated brokerage commissions. On exchanges on which commissions are negotiated, the cost of transactions may vary among different brokers. Transactions by the Fund on foreign stock exchanges involve payment of brokerage commissions that are generally fixed.

Transactions by a Fund in the over-the-counter markets are generally principal transactions with dealers, and the costs of such transactions involve dealer spreads rather than brokerage commissions. With respect to over-the-counter transactions, the Adviser or Sub-Adviser, where possible, will deal directly with dealers who make a market in the securities involved, except in those circumstances in which better prices and execution are available elsewhere.

In making portfolio investments for a Fund, the Adviser or Sub-Adviser seeks to obtain the best net price and the most favorable execution of orders. The Adviser may, in its discretion, effect transactions in portfolio securities with broker-dealers who provide research advice or other services to the Fund or the Adviser or Sub-Adviser. The Adviser or Sub-Adviser is authorized to pay a broker-dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Fund that exceeds the amount of commission another broker-dealer would have charged for effecting that transaction if the Adviser or Sub-Adviser determines in good faith that such commission was reasonable in relation to the value of the brokerage and research services provided by such broker-dealer, viewed in terms of either that particular transaction or the Adviser's or Sub-Adviser's overall responsibilities to the Fund and to the Trust. Such brokerage and research services might consist of reports and statistics relating to specific companies or industries, general summaries of groups of stocks or bonds and their comparative earnings and yields, or broad overviews of the stock, bond and government securities markets and the economy.

Supplementary research information so received (if any) is in addition to, and not in lieu of, services required to be performed by the Adviser or Sub-Adviser and does not reduce the advisory fees payable by the Fund. The Board will periodically review the commissions paid by the Funds to consider whether the commissions paid over representative periods of time appear to be reasonable in relation to the benefits inuring to the Fund. It is possible that certain of the supplementary research or other services received will primarily benefit one or more other investment companies or portfolios of the Trust or other accounts for which investment discretion is exercised. Conversely, a Fund may be the primary beneficiary of the research or services received as a result of portfolio transactions effected for such other account, portfolio of the Trust or investment company. The Funds will not execute portfolio transactions through, acquire portfolio securities issued by, make savings deposits in, or enter into repurchase agreements with the Adviser, the Sub-Adviser, the Distributor, or any of their “affiliated persons” (as defined in the 1940 Act), except as the 1940 Act or the SEC permits. Under certain circumstances, the Funds may be at a disadvantage because of these limitations in comparison with other investment companies that have similar investment objectives but are not subject to such limitations.

The Funds may from time to time purchase securities issued by the Trust’s “regular broker/dealers”.

The Funds paid the following amounts in brokerage commissions for the past three fiscal years ended October 31:

Fund	2017	2016	2015
American Independence Global Tactical Allocation Fund	$68,389	$52,451	$27,113
American Independence Kansas Tax-Exempt Bond Fund	N/A	N/A	N/A
American Independence Carret Core Plus Fund	$0	$1,250	$2,250
American Independence U.S. Inflation-Protected Fund	$13,396	$12,542	$10,252
American Independence Hillcrest Small Cap Value Fund*	$4,873	$4,089	N/A

* The American Independence Hillcrest Small Cap Value Fund commenced operations on December 31, 2015.

DISTRIBUTION AND RELATED SERVICES PLANS

The Trust has adopted separate Distribution and Services Plans pursuant to Rule 12b-1 under the 1940 Act (the “Rule”) with respect to Class A shares and Class C shares of the American Independence Funds (the “Plans”). Under the Plans, the Trust (i) may pay the Distributor or another person for distribution services provided and expenses assumed, and (ii) may pay, through the Distributor, broker-dealers or other financial institutions (“Service Organizations”) for services, as defined by the Financial Industry Regulatory Authority (“FINRA”).

Payments to the Distributor will compensate it for distribution assistance and expenses assumed and activities primarily intended to result in the sale of shares, including compensating dealers and other sales personnel, direct advertising and marketing expenses and expenses incurred in connection with preparing, mailing and distributing or publishing advertisements and sales literature, for printing and mailing Prospectuses and SAIs (except those used for regulatory purposes or for distribution to existing shareholders), and costs associated with implementing and operating the Plan.

The Trust intends to enter into servicing agreements under the Plan that will require the Service Organizations receiving such compensation from the Distributor to perform certain services, as defined by FINRA.

Shareholder Services Plan. Under the Shareholder Services Plan, each Fund is authorized to pay financial institutions, including Manifold Fund Advisors and its affiliates, or other persons who provide certain services to the Funds, a services fee, within the meaning of FINRA Rules under the Plan at an aggregate fee in an amount not to exceed on an annual basis 0.25% for Class A shares and Class C shares of the average daily net asset value of the respective class of shares of each Fund (the "Services Fees") as compensation for providing service activities pursuant to an agreement with each Service Organization. Institutional shares are offered without any Services Fees.

The Fund may pay a Services Fee to the Service Organizations at a lesser rate than the fees described above. The Services Fees will be computed daily and payable quarterly by the Funds.

Distribution Plan. Under the Distribution Plan, each Fund shall pay to the Distributor an annual rate of up to 0.25% and 0.75% of average net asset value of each Fund's outstanding shares of the Class A shares and Class C shares, respectively, to compensate the Distributor for services provided and expenses incurred by it in connection with the offering of each Fund's shares, which may include, without limitation the average daily net asset value of a Fund's outstanding shares that are owned of record or beneficially by a Service Organization's customers for whom the Service Organization is the owner of record or shareholder of record or with whom it has a servicing relationship.

Payments for distribution expenses under the Plan are subject to the Rule. The Rule defines distribution expenses to include the cost of "any activity which is primarily intended to result in the sale of shares issued by" the Trust. The Rule provides, among other things, that an investment company may bear such expenses only pursuant to a plan adopted in accordance with the Rule. In accordance with the Rule, the Plan provides that a report of the amounts expended under the Plan, and the purposes for which such expenditures were incurred, will be made to the Board for its review at least quarterly. The Plan provides that it may not be amended to increase materially the costs that a Class of shares may bear for distribution pursuant to the Plan without shareholder approval, and that any other type of material amendment must be approved by a majority of the Board, and by a majority of the Trustees who are neither "interested persons" (as defined in the 1940 Act) of the Trust nor have any direct or indirect financial interest in the operation of the Plan or in any related agreements (the "12b-1 Trustees"), by vote cast in person at a meeting called for the purpose of considering such amendments.

The Board has concluded that there is a reasonable likelihood that the Plan will benefit the Funds and holders of each Class of shares. The Plan is subject to annual re-approval by a majority of the 12b-1 Trustees and is terminable at any time with respect to a Fund by a vote of a majority of the 12b-1 Trustees or by vote of the holders of a majority of the shares of the Fund involved. Any agreement entered into pursuant to the Plan with a Service Organization will be terminable with respect to any Fund without penalty, at any time, by vote of a majority of the 12b-1 Trustees, by vote of the holders of a majority of each Class of shares of such Fund, by the Distributor or by the Service Organization. Any such agreement will also terminate automatically in the event of its assignment.

The following tables provide information on the amount of fees paid by each of the Funds under the Distribution Plan during the last three fiscal years ended October 31:

	Class A shares		
Fund	**2017**	**2016**	**2015**
American Independence Global Tactical Allocation Fund	$134,254	$114,496	$72,744
American Independence Kansas Tax-Exempt Bond Fund	$28,725	$28,090	$26,392
American Independence Carret Core Plus Fund	$1,593	$3,567	$4,018
American Independence U.S. Inflation-Protected Fund	$44,624	$26,388	$31,115
American Independence Hillcrest Small Cap Value Fund*	$4,524	$2,589	N/A

Fund	Class C shares 2017	2016	2015
American Independence Global Tactical Allocation Fund	$33,575	$38,202	$30,489
American Independence Kansas Tax-Exempt Bond Fund	$7,256	$7,800	$7,897
American Independence Carret Core Plus Fund	N/A	N/A	N/A
American Independence U.S. Inflation-Protected Fund	$88,039	$64,636	$12,484
American Independence Hillcrest Small Cap Value Fund*	$290	$114	N/A

* The American Independence Hillcrest Small Cap Value Fund commenced operations on December 31, 2015.

Shareholder Servicing Plan (non-12b-1). The Trust, on behalf of the American Independence U.S. Inflation-Protected Fund, has adopted a non-12b-1 Shareholder Servicing Plan that allows its Premier Class Shares to pay a shareholder servicing fee from its assets for any activities relating to certain shareholder account administrative and servicing functions to agents. The expenditures to be made by the Funds pursuant to this Plan shall not exceed an annual rate of 0.15% of the average daily value of net assets represented by such Shares.

Sub-Transfer Agency Plan. The Funds have adopted a Sub-Transfer Agency Plan pursuant to which it may pay a fee of up to an annual rate of 0.25% of Fund average daily net assets to service organizations who provide sub-transfer agency services to their customers who own shares of the Funds.

Some Service Organizations may impose additional or different conditions on their clients, such as requiring their clients to invest more than the minimum initial or subsequent investments specified by the Funds or charging a direct fee for servicing. If imposed, these fees would be in addition to any amounts which might be paid to the Service Organization by the Funds. Each Service Organization has agreed to transmit to its clients a schedule of any such fees. Shareholders using Service Organizations are urged to consult them regarding any such fees or conditions.

Distribution Related Payments. Manifold Fund Advisors may make payments to certain financial intermediaries as incentives to market the Funds or to cooperate with Manifold Fund Advisors' promotional efforts or in recognition of their marketing, transaction processing and/or administrative services support. Manifold Fund Advisors compensates financial intermediaries differently depending upon, among other factors, the level and/or type of marketing and administrative support provided by the financial intermediary. In the case of any one financial intermediary, Distribution Related Payments generally will not exceed the sum of 0.25% of that financial intermediary's total sales of the Funds and 0.25% of the total assets of these Funds attributable to that financial intermediary, on an annual basis.

As noted above a number of factors are considered in determining the amount of these Distribution Related Payments, including each financial intermediary's Funds sales, assets, and redemption rates as well as the willingness and ability of the financial intermediary to give Manifold Fund Advisors access to its investment representatives for educational and marketing purposes. In some cases, financial intermediaries will include the Funds on a "preferred list". Manifold Fund Advisors' goals include making the Investment Representatives who interact with current and prospective investors and shareholders more knowledgeable about the Funds so that they can provide suitable information and advice about the Funds and related investor services.

Service Related Payments. Payments may also be made by Manifold Fund Advisors to financial intermediaries to compensate or reimburse them for administrative or other shareholder services provided such as omnibus accounting or sub-accounting, participation in networking arrangements, account set-up, recordkeeping and other services. Payments may also be made for administrative services related to the distribution of the Funds' shares through the financial intermediary. Firms that may receive servicing fees include retirement plan administrators, qualified tuition program sponsors, banks and trust companies and others. These fees may be used by the service provider to offset or reduce fees that would otherwise be paid directly to them by certain account holders, such as retirement plans.

Manifold Fund Advisors compensates financial intermediaries differently depending upon, among other factors, the level and/or type of marketing and administrative support provided by the financial intermediary. Service Related Payments to a financial intermediary generally will not exceed, on an annual basis for any calendar year, 0.25% of the assets attributable to that financial intermediary.

Processing Related Payments. Manifold Fund Advisors may make payments to certain financial intermediaries that sell Fund shares to help offset the financial intermediaries' costs associated with client account maintenance support, statement preparation and transaction processing. The types of payments that Manifold Fund Advisors may make under this category include, among others, payment of networking fees or one-time payments for ancillary services such as setting up funds on a financial intermediary's mutual fund trading system.

Dealer Commissions and Compensation. Commissions (up to 1.00%) are paid to dealers who initiate and are responsible for certain Class A share purchases not subject to initial sales charges. These purchases consist of purchases of $1 million or more and purchases by employer-sponsored defined contribution-type retirement plans investing $1 million or more or with 100 or more eligible employees. Commissions on such investments (other than IRA rollover assets that roll over at no sales charge under the Funds' IRA rollover policy as described in the prospectus) are paid to dealers at the following rates for the Funds: 1.00% on amounts of less than $4 million, 0.50% on amounts of at least $4 million but less than $10 million and 0.25% on amounts of at least $10 million. Commissions are based on cumulative investments over the life of the account with no adjustment for redemptions, transfers, or market declines. For example, if a shareholder has accumulated investments in excess of $4 million (but less than $10 million) and subsequently redeems all or a portion of the account(s), purchases following the redemption will generate a dealer commission of 0.50%.

Other Payments. Additionally, Manifold Fund Advisors may provide payments to reimburse directly or indirectly the costs incurred by these financial intermediaries and their associated investment representatives in connection with educational seminars and "due diligence" or training meetings (to the extent permitted by applicable laws or rules of FINRA) and marketing efforts related to the Funds for the firms' employees and/or their clients and potential clients. The costs and expenses associated with these efforts may include travel, lodging, entertainment, meals and conferences. Manifold Fund Advisors makes payments for entertainment events it deems appropriate, subject to Manifold Fund Advisors' policies and applicable law. These payments may vary depending on the nature of the event.

Summary of Payments. Your financial intermediary may receive various forms of compensation from you, the Funds or Manifold Fund Advisors in connection with the sale of shares of a Fund to you or if you remain an investor in a Fund. The compensation that the financial intermediary receives will vary by class of shares and among financial intermediaries. These types of payments include:

- Contingent deferred sales charges or initial front-end sales charges (if applicable), which are payable from your investment to the Distributor and all or a portion of which are payable by the Distributor to financial intermediaries (see "A Choice of Share Classes" in the Prospectus);

- Ongoing asset-based payments attributable to the share class selected, including fees payable under the Funds' Distribution Plans adopted under Rule 12b-1 under the Investment Company Act and Shareholder Servicing Plan, which are paid from the Fund's assets and allocated to the class of shares to which the plan relates (see "Distribution and Service Plans" in the SAI);

- Shareholder servicing payments for providing omnibus accounting, recordkeeping, networking, sub-transfer agency or other administrative or shareholder services, which are paid from the assets of a Fund as reimbursement to the financial intermediary for expenses they incur on behalf of the Fund;

- Payments by Manifold Fund Advisors out of its own assets. Manifold Fund Advisors may make these payments in addition to payments described above. Your financial intermediary may receive payments from Manifold Fund Advisors that fall within one or more of the following categories, each of which is described in greater detail below:

    – Distribution Related Payments;

    – Service Related Payments; and

    – Processing Related Payments.

You should be aware that these payments may provide an additional incentive to financial intermediaries to actively promote the Funds or cooperate with Manifold Fund Advisors' promotional efforts. Your financial intermediary may be paid a fee when you buy shares and may receive different levels of compensation depending upon which class of shares you buy. Your financial intermediary may charge you additional fees or commissions other than those disclosed in this Prospectus. You can find further details in the SAI about the payments made by Manifold Fund Advisors and the services provided by your financial intermediary. You should ask your financial intermediary for details about any such payments it receives from Manifold Fund Advisors or any other fees or expenses it charges.

As of December 31, 2017, the following financial intermediaries that are broker dealers have been approved by the Board of Trustees to receive Distribution Related and/or Service Related Payments:

Advisor Consultant Network, Inc.
Advisor Group, Inc
Ameriprise Financial
Ascensus Trust Company
Benefit Plan Administrators
Charles Schwab
CPI Qualified Plan Consultants LLC
Edward Jones
Expertplan, Inc
Fidelity Brokerage Services LLC
Fiserv Trust Company
Geneos Wealth Management, Inc.
GWFS Equities Inc
LPL Financial Corporation
Massachusetts Mutual Life Insurance Company
Mercer
Mid-Atlantic Capital Corp.
MML Distributors, LLC
MSCS Financial Services, LLC
Nationwide Investment Services Corporation
National Financial Service LLC
Nationwide Investment Services Corporation
Pershing LLC
Principal Financial Group
Principal Life Insurance Company
Raymond James Financial Services, Inc.
Robert W. Baird Co Incorporated
Southwest Securities
TD Ameritrade, Inc.
TD Ameritrade Trust Co.
TIAA-CREF
UBS Financial Services
Vanguard Brokerage Services
Wells Fargo Advisors
Wells Fargo Institutional

Any additions or deletions to the list of financial intermediaries identified above that have occurred since December 31, 2017 are not reflected.

CALCULATION OF NET ASSET VALUE ("NAV")

The NAV of a particular Class of each Fund is calculated separately by dividing the total value of the assets belonging to the Fund allocable to such Class, less the liabilities of the Fund allocable to such Class, by the number of outstanding shares of such Class. "Assets belonging to" the Fund consist of the consideration received upon the issuance of shares of the Fund together with all income, earnings, profits, and proceeds derived from the investment thereof, including any proceeds from the sale of such investments, any funds or payments derived from any reinvestment of such proceeds, and a portion of any general assets of the Trust not belonging to a particular investment portfolio. Assets belonging to the Fund are reduced by the direct liabilities of the Fund and by a share of the general liabilities of the Trust allocated daily in proportion to the relative net asset values of all of the Funds at the time of allocation. In addition, liabilities directly attributable to a Class of the Fund are charged to that Class. Subject to the provisions of the Trust's Trust Instrument, determinations by the Board as to the direct and allocable liabilities and the allocable portion of any general assets, with respect to the Fund or Class thereof are conclusive.

The Funds' investments are valued at market value or, in the absence of a market value with respect to any portfolio securities, at fair value as determined by or under the direction of the Board. A security that is primarily traded on a domestic securities exchange (including securities traded through the NASDAQ National Market System) is valued at the last price on that exchange or, if there were no sales during the day, at the current quoted bid price. Securities traded in the over-the-counter market (but not securities traded through the NASDAQ National Market System) are valued at the bid based upon quotes furnished by market makers for such securities. For purposes of determining NAV, futures and options generally will be valued shortly after the close of trading on the New York Stock Exchange.

For the Funds, market or fair value may be determined on the basis of valuations provided by one or more recognized pricing services approved by the Board of Trustees, which may rely on matrix pricing systems, electronic data processing techniques, and/or quoted bid and asked prices provided by investment dealers. Short-term investments that mature in 60 days or less are valued at amortized cost unless the Board of Trustees determines that this does not constitute fair value.

ADDITIONAL INFORMATION CONCERNING TAXES

Information set forth in the Prospectus that relates to federal taxation is only a summary of certain key federal tax considerations generally affecting purchasers of shares of a Fund. The following is only a summary of certain additional U.S. federal income tax considerations generally affecting the Funds and each Fund's shareholders that are not described in the Prospectus. No attempt has been made to present a complete explanation of the federal tax treatment of the Fund or the implications to shareholders and the discussions here and in the Funds' prospectus are not intended as substitutes for careful tax planning. Accordingly, potential purchasers of shares of a Fund are urged to consult their tax advisers with specific reference to their own tax circumstances. Special tax considerations may apply to certain types of investors subject to special treatment under the Code (including, for example, insurance companies, banks and tax-exempt organizations). In addition, the tax discussion in the Prospectuses and this SAI is based on tax law in effect on the date of the Prospectuses and this SAI; such laws and regulations may be changed by legislative, judicial, or administrative action, sometimes with retroactive effect.

Qualification as a Regulated Investment Company

The Funds have each elected to be taxed as a regulated investment company ("RIC") under Subchapter M of the Code. Each Fund intends to qualify each year for treatment as a RIC under Subchapter M of the Code. There is no guarantee that a Fund actually will so qualify. As a RIC, a Fund is not subject to federal income tax on the portion of its net investment income (i.e., taxable interest, dividends and other taxable ordinary income, net of expenses) and capital gain net income (i.e., the excess of capital gains over capital losses) that it distributes to shareholders, provided that it distributes at least 90% of its investment company taxable income (i.e., net investment income and the excess of net short-term capital gain over net long-term capital loss) and at least 90% of its tax-exempt income (net of expenses allocable thereto) for the taxable year ("Distribution Requirement") and satisfies certain other requirements of the Code that are described below. Distributions by the Fund made during the taxable year or, under specified circumstances, within twelve months after the close of the taxable year, will be considered distributions of income and gains for the taxable year and will therefore count toward satisfaction of the Distribution Requirement.

If a Fund has a net capital loss (i.e., an excess of capital losses over capital gains) for any year, the amount thereof may be carried forward indefinitely and can be used to offset capital gains in future years. As explained below, however, such carry forwards are subject to limitations on availability Under Code Sections 382 and 383, if a Fund has an "ownership change", then the Fund's use of its capital loss carry forwards in any year following the ownership change will be limited to an amount equal to the NAV of the Fund immediately prior to the ownership change multiplied by the long-term tax-exempt rate (which is published monthly by the IRS) in effect for the month in which the ownership change occurs. The Funds will use their best efforts to avoid having an ownership change. However, because of circumstances that may be beyond the control or knowledge of the Fund, there can be no assurance that the Fund will not have, or has not already had, an ownership change. If a Fund has or has had an ownership change, then the Fund will be subject to federal income taxes on any capital gain net income for any year following the ownership change in excess of the annual limitation on the capital loss carry forwards, unless distributed by the Fund. Any distributions of such capital gain net income will be taxable to shareholders as described under "Fund Distributions" below.

In addition to satisfying the Distribution Requirement, a regulated investment company must derive at least 90% of its gross income from dividends, interest, certain payments with respect to securities loans, gains from the sale or other disposition of stock or securities or foreign currencies, net income from certain "qualified publicly traded partnerships", and other income (including but not limited to gains from options, futures, or forward contracts) derived with respect to its business of investing in such stock, securities, or currencies ("Income Requirement"). A "qualified publicly traded partnership" is generally defined as a publicly traded partnership under Code Section 7704. However, for these purposes, a qualified publicly traded partnership does not include a publicly traded partnership if 90% or more of its income is described in the previous sentence. Income derived from a partnership (other than a qualified publicly traded partnership) or trust is qualifying income to the extent such income is attributable to items of income of the partnership or trust which would be qualifying income if realized by a Fund in the same manner as realized by the partnership or trust.

Some of the income that the Funds might earn may not be qualifying income for purposes of the Income Test ("Non-Qualifying Income"). Each Fund intends to monitor its investments to ensure that any Non-Qualifying Income is limited to a maximum of 10 percent of its gross income for each taxable year. However, there can be no assurance that the Funds will be successful in this regard. If a Fund fails this Income Requirement as long as such failure is inadvertent, such Fund is generally only required to pay a tax equal to the amount by which it failed the Income Requirement.

In addition to satisfying the requirements described above, the Funds must satisfy an asset diversification test in order to qualify as a regulated investment company. Under this test, at the close of each quarter of a Fund's taxable year, at least 50% of the value of the Fund's assets must consist of cash and cash items, U.S. government securities, securities of other regulated investment companies and securities of other issuers (provided that, with respect to each issuer, the Fund has not invested more than 5% of the value of the Fund's total assets in securities of each such issuer and the Fund does not hold more than 10% of the outstanding voting securities of each such issuer), and no more than 25% of the value of its total assets may be invested in the securities of any one issuer (other than U.S. government securities and securities of other regulated investment companies), in two or more issuers that the Fund controls and that are engaged in the same or similar trades or businesses or the securities of one or more "qualified publicly traded partnerships". Generally, an option (call or put) with respect to a security is treated as issued by the issuer of the security, not the issuer of the option.

If a Fund fails this asset-diversification test, such Fund, in addition to other cure provisions previously permitted, has a 6-month period to correct any failure without incurring a penalty if such failure is "de minimis."

Similarly, if a Fund fails this asset-diversification test and the failure is not de minimis, the Fund can cure failure if: (a) the Fund files with the Treasury Department a description of each asset that causes the Fund to fail the diversification tests; (b) the failure is due to reasonable cause and not willful neglect; and (c) the failure is cured within six months (or such other period specified by the Treasury). In such cases, a tax is imposed on the Fund equal to the greater of: (a) $50,000 or (b) an amount determined by multiplying the highest rate of corporate tax (currently 21%) by the amount of net income generated during the period of diversification test failure by the assets that caused the RIC to fail the diversification test.

In general, gain or loss recognized by a Fund on the disposition of an asset will be a capital gain or loss. In addition, gain will be recognized as a result of certain constructive sales, including short sales "against the box". However, gain recognized on the disposition of a debt obligation purchased by a Fund at a market discount (generally, at a price less than its principal amount) will be treated as ordinary income to the extent of the portion of the market discount that accrued while the Fund held the debt obligation. In addition, under the rules of Code Section 988, gain or loss recognized on the disposition of a debt obligation denominated in a foreign currency or an option with respect thereto, and gain or loss recognized on the disposition of a foreign currency forward contract, futures contract, option or similar financial instrument, or of foreign currency itself, except for regulated futures contracts or non-equity options subject to Code Section 1256 (unless a Fund elects otherwise), generally will be treated as ordinary income or loss to the extent attributable to changes in foreign currency exchange rates.

In general, for purposes of determining whether capital gain or loss recognized by a Fund on the disposition of an asset is long-term or short-term, the holding period of the asset may be affected (as applicable, depending on the type of the Fund involved) if (1) the asset is used to close a "short sale" (which includes for certain purposes the acquisition of a put option) or is substantially identical to another asset so used, (2) the asset is otherwise held by the Fund as part of a "straddle" (which term generally excludes a situation where the asset is stock and the Fund grants a qualified covered call option (which, among other things, must not be deep-in-the-money) with respect thereto), or (3) the asset is stock and the Fund grants an in-the-money qualified covered call option with respect thereto. In addition, a Fund may be required to defer the recognition of a loss on the disposition of an asset held as part of a straddle to the extent of any unrecognized gain on the offsetting position.

Any gain recognized by a Fund on the lapse of, or any gain or loss recognized by a Fund from a closing transaction with respect to, an option written by the Fund will be treated as a short-term capital gain or loss.

Certain transactions that may be engaged in by the Funds (such as regulated futures contracts, certain foreign currency contracts and options on stock indexes and futures contracts) will be subject to special tax treatment as "Section 1256 Contracts". Section 1256 Contracts are treated as if they are sold for their fair market value on the last business day of the taxable year, even though a taxpayer's obligations (or rights) under such Section 1256 Contracts have not terminated (by delivery, exercise, entering into a closing transaction, or otherwise) as of such date. Any gain or loss recognized as a consequence of the year-end deemed disposition of Section 1256 Contracts is taken into account for the taxable year together with any other gain or loss that was recognized previously upon the termination of Section 1256 Contracts during that taxable year. Any capital gain or loss for the taxable year with respect to Section 1256 Contracts (including any capital gain or loss arising as a consequence of the year-end deemed sale of such Section 1256 Contracts) generally is treated as 60% long-term capital gain or loss and 40% short-term capital gain or loss. The Funds, however, may elect not to have this special tax treatment apply to Section 1256 Contracts that are part of a "mixed straddle" with other investments of the Funds that are not Section 1256 Contracts.

If for any taxable year a Fund does not qualify as a regulated investment company, all of its taxable income (including its net capital gain) will be subject to tax at regular corporate rates without any deduction for distributions to shareholders and such distributions will be taxable to the shareholders as dividends to the extent of the Fund's current and accumulated earnings and profits. Such distributions may be eligible for the dividends-received deduction in the case of corporate shareholders and for treatment as "qualified dividend income" in the case of individual shareholders.

Excise Tax on Regulated Investment Companies

A 4% non-deductible excise tax is imposed on a regulated investment company that fails to distribute in each calendar year an amount at least equal to sum of 98% of its ordinary taxable income (taking into account certain deferrals and elections) for the calendar year and 98.2% of its capital gain net income for the one-year period ended on October 31 of such calendar year (or, with respect to capital gain net income, at the election of a regulated investment company having a taxable year ending November 30 or December 31, for its taxable year (a "taxable year election")). (Tax-exempt interest on municipal obligations is not subject to the excise tax.) The balance of such income must be distributed during the next calendar year. For the foregoing purposes, a regulated investment company is treated as having distributed any amount on which it is subject to income tax for any taxable year ending in such calendar year.

The Funds intend to make sufficient distributions or deemed distributions of its ordinary taxable income and capital gain net income prior to the end of each calendar year to avoid liability for the excise tax. However, investors should note that a Fund might in certain circumstances be required to liquidate portfolio investments to make sufficient distributions to avoid excise tax liability.

Distributions of the Funds

Each Fund anticipates distributing substantially all of its investment company taxable income for each taxable year. Such distributions will be treated as dividends for federal income tax purposes and may be taxable to non-corporate shareholders as long-term capital gains (a "qualified dividend"), provided that certain requirements, as discussed below, are met. Dividends received by corporate shareholders and dividends that do not constitute qualified dividends are taxable as ordinary income. The portion of dividends received from a Fund that are qualified dividends generally will be determined on a look-through basis. If the aggregate qualified dividends received by the Fund are less than 95% of the Fund's gross income (as specially computed), the portion of dividends received from the Fund that constitute qualified dividends will be designated by the Fund and cannot exceed the ratio that the qualified dividends received by the Fund bears to its gross income. If the aggregate qualified dividends received by the Fund equal at least 95% of its gross income, then all of the dividends received from the Fund will constitute qualified dividends.

No dividend will constitute a qualified dividend (1) if it has been paid with respect to any share of stock that the Fund has held for less than 61 days during the 120-day period beginning on the date that is 60 days before the date on which such share becomes ex-dividend with respect to such dividend, excluding for this purpose, under the rules of Code section 246(c), any period during which the Fund has an option to sell, is under a contractual obligation to sell, has made and not closed a short sale of, is the grantor of a deep-in-the-money or otherwise nonqualified option to buy, or has otherwise diminished its risk of loss by holding other positions with respect to, such (or substantially identical) stock; (2) if the non-corporate shareholder fails to meet the holding period requirements set forth in (1) with respect to its shares in the Fund to which the dividend is attributable; or (3) to the extent that the Fund is under an obligation (pursuant to a short sale or otherwise) to make related payments with respect to positions in property substantially similar or related to stock with respect to which an otherwise qualified dividend is paid.

Distributions attributable to dividends received by the Fund from domestic corporations will qualify for the 70% dividends-received deduction ("DRD") for corporate shareholders only to the extent discussed below. Distributions attributable to interest received by the Fund will not and distributions attributable to dividends paid by a foreign corporation generally should not qualify for the DRD. In general, dividends paid on the various Funds' share classes are calculated at the same time and in the same manner. In general, dividends may differ among classes as a result of differences in distribution expenses and other class specific expenses.

Ordinary income dividends paid by a Fund with respect to a taxable year may qualify for the 70% DRD generally available to corporations (other than corporations such as S corporations, which are not eligible for the deduction because of their special characteristics, and other than for purposes of special taxes such as the accumulated earnings tax and the personal holding company tax) to the extent of the amount of dividends received by the Fund from domestic corporations for the taxable year. No DRD will be allowed with respect to any dividend (1) if it has been received with respect to any share of stock that the Fund has held for less than 46 days (91 days in the case of certain preferred stock) during the 90-day period (180-day period in the case of certain preferred stock) beginning on the date that is 45 days (90 days in the case of certain preferred stock) before the date on which such share becomes ex-dividend with respect to such dividend, excluding for this purpose under the rules of Code Section 246(c) any period during which the Fund has an option to sell, is under a contractual obligation to sell, has made and not closed a short sale of, is the grantor of a deep-in-the-money or otherwise nonqualified option to buy, or has otherwise diminished its risk of loss by holding other positions with respect to, such (or substantially identical) stock; (2) to the extent that the Fund is under an obligation (pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property; or (3) to the extent the stock on which the dividend is paid is treated as debt-financed under the rules of Code Section 246A. Moreover, the DRD for a corporate shareholder may be disallowed or reduced (1) if the corporate shareholder fails to satisfy the foregoing requirements with respect to its shares of the Fund or (2) by application of Code Section 246(b), which in general limits the DRD to 70% of the shareholder's taxable income (determined without regard to the DRD and certain other items).

Each Fund may either retain or distribute to shareholders its net capital gain for each taxable year. The Funds currently intend to distribute any such amounts. If net capital gain is distributed and designated as a capital gain dividend, it will be taxable to shareholders as long-term capital gain, regardless of the length of time the shareholder has held his shares or whether such gain was recognized by the Fund prior to the date on which the shareholder acquired his shares. The Code provides, however, that under certain conditions only 50% of the capital gain recognized upon a Fund's disposition of domestic qualified "small business" stock will be subject to tax.

Conversely, if a Fund elects to retain its net capital gain, the Fund will be subject to tax thereon (except to the extent of any available capital loss carryovers) at the 35% corporate tax rate. If the Fund elects to retain its net capital gain, it is expected that the Fund also will elect to have shareholders of record on the last day of its taxable year treated as if each received a distribution of his pro rata share of such gain, with the result that each shareholder will be required to report his pro rata share of such gain on his tax return as long-term capital gain, will receive a refundable tax credit for his pro rata share of tax paid by the Fund on the gain, and will increase the tax basis for his shares by an amount equal to the deemed distribution less the tax credit. Distributions by a Fund that do not constitute ordinary income dividends, qualified dividends, exempt-interest dividends, or capital gain dividends will be treated as a return of capital to the extent of (and in reduction of) the shareholder's tax basis in his shares; any excess will be treated as gain from the sale of his shares, as discussed below.

Distributions by a Fund will be treated in the manner described above regardless of whether such distributions are paid in cash or reinvested in additional shares of the Fund (or of another Fund). Shareholders receiving a distribution in the form of additional shares will be treated as receiving a distribution in an amount equal to the amount of cash the shareholder could have received instead of receiving such shares. In addition, if the NAV at the time a shareholder purchases shares of the Fund reflects undistributed net investment income, recognized net capital gain, or unrealized appreciation in the value of the assets of the Fund, distributions of such amounts will be taxable to the shareholder in the manner described above, although such distributions economically constitute a return of capital to the shareholder.

Dividends paid to shareholders of the American Independence Kansas Tax-Exempt Bond Fund that are derived from municipal bond interest are expected to be designated as exempt-interest dividends that are generally excluded from gross income for tax purposes. Interest on indebtedness incurred or continued by a shareholder to purchase or carry shares of the American Independence Kansas Tax-Exempt Bond Fund is not deductible to the extent it is deemed related to such fund's distributions of tax-exempt interest. In addition, for certain corporations, federal alternative minimum taxable income is increased by 75% of the difference between an alternative measure of income ("adjusted current earnings") and the amount otherwise determined to be the alternative minimum taxable income. Interest on all municipal securities, and therefore a distribution by the American Independence Kansas Tax-Exempt Bond Fund that would otherwise be tax-exempt, is included in calculating a corporation's adjusted current earnings. Tax-exempt distributions received from the American Independence Kansas Tax-Exempt Bond Fund are taken into account in determining, and may increase, the portion of social security and certain railroad retirement benefits that may be subject to federal income tax. Further, entities or persons who are "substantial users" (or persons related to "substantial users") of facilities financed by industrial development or private activity bonds should consult their tax advisers before purchasing shares of the American Independence Kansas Tax-Exempt Bond Fund. "Substantial user" is defined in applicable Treasury regulations to include a "non-exempt person" who regularly uses in its trade or business a part of a facility financed from the proceeds of industrial development bonds, and the same definition should apply in the case of private activity bonds. Any loss realized upon the sale or exchange of American Independence Kansas Tax-Exempt Bond Fund shares with a tax holding period of six months or less may be disallowed to the extent of any distributions treated as exempt interest dividends with respect to such shares.

If more than 50% of the value of a Fund's total assets at the close of its taxable year consists of stock or securities of foreign corporations, or if at least 50% of the value of a Fund's total assets at the close of each quarter of its taxable year is represented by interests in other regulated investment companies, that Fund may elect to "pass through" to its shareholders the amount of foreign taxes paid or deemed paid by that Fund. If that Fund so elects, each of its shareholders would be required to include in gross income, even though not actually received, its pro rata share of the foreign taxes paid or deemed paid by that Fund, but would be treated as having paid its pro rata share of such foreign taxes and would therefore be allowed to either deduct such amount in computing taxable income or use such amount (subject to various limitations) as a foreign tax credit against federal income tax (but not both).

Ordinarily, shareholders are required to take distributions by a Fund into account in the year in which the distributions are made. However, dividends declared in October, November or December of any year and payable to shareholders of record on a specified date in such a month will be deemed to have been received by the shareholders (and paid by a Fund) on December 31 of such calendar year if such dividends are actually paid in January of the following year. Shareholders will be advised annually as to the U.S. federal income tax consequences of distributions made (or deemed made) during the year.

Each Fund will be required in certain cases to withhold and remit to the U.S. Treasury backup withholding taxes (currently, at the applicable rate of 24%) on ordinary income dividends, qualified dividends and capital gain dividends, and the proceeds of redemption of shares, paid to any shareholder (1) who has failed to provide a correct taxpayer identification number, (2) who is subject to backup withholding for failure to report the receipt of interest or dividend income properly, or (3) who has failed to certify to the Fund that it is not subject to backup withholding or is an "exempt recipient" (such as a "C" corporation).

Sale of Shares

Upon the disposition of shares of a Fund (whether by redemption, sale or exchange), a shareholder will generally realize a gain or loss. Such gain or loss will be capital gain or loss if the shares are capital assets in the shareholder's hands and will be long-term or short-term generally depending upon the shareholder's holding period for the shares. Any loss realized on a disposition will be disallowed to the extent the shares disposed of are replaced within a period of 61 days beginning 30 days before and ending 30 days after the shares are disposed of. In such a case, the basis of the shares acquired will be adjusted to reflect the disallowed loss. Any loss realized by a shareholder on a disposition of shares held by the shareholder for six months or less will be treated as a long-term capital loss to the extent of any distributions of capital gain dividends received by the shareholder with respect to such shares. The maximum individual rate applicable to long-term capital gains is generally either 15% or 20%, depending on whether the individual's income exceeds certain threshold amounts.

The Funds (or their administrative agents) are required to report to the IRS and furnish to shareholders the cost basis information for sale transactions of shares purchased on or after January 1, 2012. Shareholders may elect to have one of several cost basis methods applied to their account when calculating the cost basis of shares sold, including average cost, FIFO ("first-in, first-out") or some other specific identification method. Unless you instruct otherwise, the Funds will use average cost as their default cost basis method, and will treat sales as first coming from shares purchased prior to January 1, 2012. The cost basis method a shareholder elects may not be changed with respect to redemption of shares after the settlement date of the redemption. Shareholders should consult with their tax advisors to determine the best cost basis method for their tax situation. Shareholders that hold their shares through a financial intermediary should contact such financial intermediary with respect to reporting of cost basis and available elections for their accounts.

Medicare Tax

An additional 3.8% Medicare tax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from a Fund and net gains from redemptions or other taxable dispositions of Fund shares) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds certain threshold amounts.

Other Tax Information

Passive Foreign Investment Companies. A passive foreign investment company ("PFIC") is any foreign corporation: (i) 75% or more of the gross income of which for the taxable year is passive income, or (ii) the average percentage of the assets of which (generally by value, but by adjusted tax basis in certain cases) that produce or are held for the production of passive income is at least 50%. Generally, passive income for this purpose means dividends, interest (including income equivalent to interest), royalties, rents, annuities, the excess of gains over losses from certain property transactions and commodities transactions, and foreign currency gains. Passive income for this purpose does not include rents and royalties received by the foreign corporation from active business and certain income received from related persons.

Equity investments by a Fund in certain PFICs could potentially subject the Fund to a U.S. federal income tax or other charge (including interest charges) on the distributions received from the PFIC or on proceeds received from the disposition of shares in the PFIC. This tax cannot be eliminated by making distributions to Fund shareholders. However, the Fund may elect to avoid the imposition of that tax. For example, if the Fund is in a position to and elects to treat a PFIC as a "qualified electing fund" (i.e., make a "QEF election"), the Fund will be required to include its share of the PFIC s income and net capital gains annually, regardless of whether it receives any distribution from the PFIC. Alternatively, the Fund may make an election to mark the gains (and to a limited extent losses) in its PFIC holdings "to the market" as though it had sold and repurchased its holdings in those PFICs on the last day of the Fund's taxable year. Such gains and losses are treated as ordinary income and loss. The QEF and mark-to-market elections may accelerate the recognition of income (without the receipt of cash) and increase the amount required to be distributed by the Fund to avoid taxation. Making either of these elections therefore may require the Fund to liquidate other investments (including when it is not advantageous to do so) to meet its distribution requirement, which also may accelerate the recognition of gain and affect the Fund's total return. Dividends paid by PFICs will not be eligible to be treated as "qualified dividend income."

Because it is not always possible to identify a foreign corporation as a PFIC, a Fund may incur the tax and interest charges described above in some instances.

Foreign Currency Transactions. A Fund's transactions in foreign currencies, foreign currency-denominated debt obligations and certain foreign currency options, futures contracts and forward contracts (and similar instruments) may give rise to ordinary income or loss to the extent such income or loss results from fluctuations in the value of the foreign currency concerned. Any such net gains could require a larger dividend toward the end of the calendar year. Any such net losses will generally reduce and potentially require the recharacterization of prior ordinary income distributions. Such ordinary income treatment may accelerate Fund distributions to shareholders and increase the distributions taxed to shareholders as ordinary income. Any net ordinary losses so created cannot be carried forward by the Fund to offset income or gains earned in subsequent taxable years.

Foreign Taxation. Income received by a Fund from sources within foreign countries may be subject to withholding and other taxes imposed by such countries. Tax conventions between certain countries and the U.S. may reduce or eliminate such taxes.

A Fund may invest in foreign securities. Dividends and interest received by a Fund's holding of foreign securities may give rise to withholding and other taxes imposed by foreign countries. Tax conventions between certain countries and the United States may reduce or eliminate such taxes.

Foreign Shareholders. Taxation of a shareholder who, as to the United States, is a nonresident alien individual, foreign trust or estate, or foreign corporation, ("foreign shareholder"), depends on whether the income from the Fund is "effectively connected" with a U.S. trade or business carried on by such shareholder.

If the income from a Fund is not effectively connected with a U.S. trade or business carried on by a foreign shareholder, ordinary income dividends (including dividends that would otherwise be treated as qualified dividends to an applicable non-foreign shareholder) paid to such foreign shareholder will be generally subject to U.S. withholding tax at the rate of 30% (or lower applicable treaty rate) upon the gross amount of the dividend.

If the income from a Fund is effectively connected with a U.S. trade or business carried on by a foreign shareholder, then ordinary income dividends, qualified dividends, capital gain dividends and any gains realized upon the sale of shares of the Fund will be subject to U.S. federal income tax at the rates applicable to U.S. citizens or domestic corporations. Additionally, with respect to a foreign shareholder that is treated as a corporation for U.S. federal income tax purposes, such income and gains may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate (or at a lower rate if provided for by an applicable treaty).

For taxable years beginning before January 1, 2014 (unless further extended by Congress), properly designated dividends received by a nonresident alien or foreign entity are generally exempt from U.S. federal withholding tax when they (a) are paid in respect of a Fund's "qualified net interest income" (generally, the Fund's U.S. source interest income, reduced by expenses that are allocable to such income), or (b) are paid in connection with a Fund's "qualified short-term capital gains" (generally, the excess of the Fund's net short-term capital gain over the Fund's long-term capital loss for such taxable year). However, depending on the circumstances, a Fund may designate all, some or none of the Fund's potentially eligible dividends as such qualified net interest income or as qualified short-term capital gains, and a portion of the Fund's distributions (e.g., interest from non-U.S. sources or any foreign currency gains) would be ineligible for this potential exemption from withholding. There can be no assurance as to whether or not legislation will be enacted to extend this exemption.

Effective July 1, 2014, the Funds will be required to withhold U.S. tax (at a 30% rate) on payments of taxable dividends and (effective January 1, 2017) redemption proceeds and capital gains dividends made to certain non-U.S. entities that fail to comply (or be deemed compliant) with extensive new reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Shareholders may be requested to provide additional information to the Funds to enable the Funds to determine whether withholding is required.

In the case of foreign non-corporate shareholders, the Fund may be required to withhold backup withholding taxes at the applicable rate on distributions that are otherwise exempt from withholding tax (or taxable at a reduced treaty rate) unless such shareholders furnish the Fund with proper notification of their foreign status.

The tax consequences to a foreign shareholder entitled to claim the benefits of an applicable tax treaty might be different from those described herein. Foreign shareholders are urged to consult their own tax advisers with respect to the particular tax consequences to them of an investment in the Fund, including the applicability of foreign taxes.

Shareholder Reporting Obligations with Respect to Foreign Financial Assets. Certain individuals (and, if provided in future guidance, certain domestic entities) must disclose annually their interests in "specified foreign financial assets" on IRS Form 8938, which must be attached to their U.S. federal income tax returns for taxable years beginning after March 18, 2010. The IRS has not yet released a copy of the Form 8938 and has suspended the requirement to attach Form 8938 for any taxable year for which an income tax return is filed before the release of Form 8938. Following Form 8938's release, individuals will be required to attach to their next income tax return required to be filed with the IRS a Form 8938 for each taxable year for which the filing of Form 8938 was suspended. Until the IRS provides more details regarding this reporting requirement, including in Form 8938 itself and related Treasury regulations, it remains unclear under what circumstances, if any, a shareholder's (indirect) interest in the Funds' "specified foreign financial assets," if any, will be required to be reported on this Form 8938.

FATCA. Payments to a shareholder that is either a foreign financial institution ("FFI") or a non-financial foreign entity ("NFFE") within the meaning of the Foreign Account Tax Compliance Act ("FATCA") may be subject to a generally nonrefundable 30% withholding tax on: (a) income dividends paid by a Fund after June 30, 2014 and (b) certain capital gain distributions and the proceeds arising from the sale of Fund shares paid by the Fund after December 31, 2016. FATCA withholding tax generally can be avoided: (a) by an FFI, subject to any applicable intergovernmental agreement or other exemption, if it enters into a valid agreement with the IRS to, among other requirements, report required information about certain direct and indirect ownership of foreign financial accounts held by U.S. persons with the FFI and (b) by an NFFE, if it: (i) certifies that it has no substantial U.S. persons as owners or (ii) if it does have such owners, reports information relating to them. A Fund may disclose the information that it receives from its shareholders to the IRS, non-U.S. taxing authorities or other parties as necessary to comply with FATCA. Withholding also may be required if a foreign entity that is a shareholder of a Fund fails to provide the Fund with appropriate certifications or other documentation concerning its status under FATCA.

Effect of Future Legislation, Local Tax Considerations. The foregoing general discussion of U.S. federal income tax consequences is based on the Code and the Treasury Regulations issued there under as in effect on the date of this SAI. Future legislative or administrative changes or court decisions may significantly change the conclusions expressed herein and any such changes or decisions may have a retroactive effect.

Rules of state and local taxation of ordinary income dividends, qualified dividends, exempt-interest dividends and capital gain dividends from regulated investment companies may differ from the rules for U.S. federal income taxation described above. Shareholders are urged to consult their tax advisers as to the consequences of these and other state and local tax rules affecting investment in the Fund.

The information above is only a summary of some of the tax consequences generally affecting the Funds and its shareholders, and no attempt has been made to discuss individual tax consequences. It is up to you or your tax preparer to determine whether the sale of shares of the fund resulted in a capital gain or loss or other tax consequence to you. In addition to federal income taxes, shareholders may be subject to state and local taxes on fund distributions, and shares may be subject to state and local personal property taxes. Investors should consult their tax advisers to determine whether the Fund is suitable to their particular tax situation.

ANTI-MONEY LAUNDERING PROGRAM

The Trust has established an Anti-Money Laundering Compliance Program ("Program"), which includes the Customer Identification Program, as required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("USA PATRIOT Act"). In order to ensure compliance with this law, the Trust's Program provides for the development of internal practices, procedures and controls, designation of an anti-money laundering compliance officer, an ongoing training program and an independent audit function to determine the effectiveness of the Program. Procedures to implement the Program include, but are not limited to, determining that the Funds' distributor and transfer agent have established proper anti-money laundering procedures, reporting suspicious and/or fraudulent activity, checking shareholder names against designated government lists, including Office of Foreign Asset Control ("OFAC"), and a complete and thorough review of all new opening account applications. The Trust will not transact business with any person or entity whose identity cannot be adequately verified under the provisions of the USA PATRIOT Act.

VOTING RIGHTS

Under Delaware law, shareholders could, under certain circumstances, be held personally liable for the obligations of a series of the Trust but only to the extent of the shareholder's investment in such series. However, the Trust Instrument disclaims liability of the shareholders, Trustees or officers of the Trust for acts or obligations of the Trust, which are binding only on the assets and property of the Trust and requires that notice of the disclaimer be given in each contract or obligation entered into or executed by the Trust or the Trustees. The risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the Trust itself would be unable to meet its obligations and should be considered remote and is limited to the amount of the shareholder's investment in the Funds. Under the Funds' Trust Instrument, the Board of Trustees is authorized to create new portfolios or classes without the approval of the shareholders of the applicable Fund. Each share will have a pro rata interest in the assets of the Fund portfolios to which the shares of that series relates, and will have no interest in the assets of any other Fund portfolio. In the event of liquidation, each share of a Fund would have the same rights to dividends and assets as every other share of that Fund, except that, in the case of a series with more than one class of shares, such distributions will be adjusted to appropriately reflect any charges and expenses borne by each individual class. Each Fund's Board of Trustees is also authorized to create new classes without shareholder approval. When certain matters affect one class but not another, the shareholders would vote as a class regarding such matters. Subject to the foregoing, on any matter submitted to a vote of shareholders, all shares then entitled to vote will be voted separately by Fund or portfolio unless otherwise required by the 1940 Act, in which case all shares will be voted in the aggregate. For example, a change in a Fund's fundamental investment policies would be voted upon only by shareholders of the Fund involved. Additionally, approval of the Investment Advisory Agreement is a matter to be determined separately by each Fund. As used in the Prospectus and in this SAI, the term "majority", when referring to approvals to be obtained from shareholders of a Fund or class means the vote of the lesser of (i) 67% of the shares of the Fund or class represented at a meeting if the holder of more than 50% of the outstanding shares of the Fund or class are present in person or by proxy, or (ii) more than 50% of the outstanding shares of the Fund or class. The term "majority", when referring to the approvals to be obtained from shareholders of the Trust as a whole means the vote of the lesser of (i) 67% of the Trust's shares represented at a meeting if the holders of more than 50% of the Trust's outstanding shares are present in person or proxy, or (ii) more than 50% of the Trust's outstanding shares. Shareholders are entitled to one vote for each full share held and fractional votes for fractional shares held.

The Trust may dispense with annual meetings of shareholders in any year in which it is not required to elect trustees under the 1940 Act. However, the Trust undertakes to hold a special meeting of its shareholders if the purpose of voting on the question of removal of a trustee is requested in writing by the holders of at least

10% of the Trust's outstanding voting securities, and to assist in communicating with other shareholders as required by Section 16(c) of the 1940 Act.

Each share of a Fund represents an equal proportional interest in that Fund with each other share and is entitled to such dividends and distributions out of the income earned on the assets belonging to that Fund as are declared in the discretion of the Trustees. In the event of the liquidation or dissolution of the Trust, shareholders of a Fund are entitled to receive the assets attributable to that Fund that are available for distribution, and a distribution of any general assets not attributable to a particular Fund that are available for distribution in such manner and on such basis as the Trustees in their sole discretion may determine.

Shareholders are not entitled to any preemptive rights. All shares, when issued, will be fully paid and non-assessable by the Trust.

A Shareholder who beneficially owns, directly or indirectly, more than 25% of a Fund's voting securities may be deemed a "control person" (as defined under applicable securities laws) of the Fund.

PERFORMANCE INFORMATION

The Funds may quote performance in various ways. All performance information supplied by the Funds in advertising is historical and is not intended to indicate future returns. The following paragraphs describe how yield and return are calculated by the American Independence Funds.

Return Calculations. Returns quoted in advertising reflect all aspects of a Fund's return, including the effect of reinvesting dividends and capital gain distributions, and any change in a Fund's NAV over a stated period. A cumulative return reflects actual performance over a stated period of time. Average annual returns are calculated by determining the growth or decline in value of a hypothetical historical investment in a fund over a stated period, and then calculating the annually compounded percentage rate that would have produced the same result if the rate of growth or decline in value had been constant over the period. For example, a cumulative return of 100% over ten years would produce an average annual return of 7.18%, which is the steady annual rate of return that would equal 100% growth on a compounded basis in ten years. While average annual returns are a convenient means of comparing investment alternatives, investors should realize that a fund's performance is not constant over time, but changes from year to year, and that average annual returns represent averaged figures as opposed to the actual year-to-year performance of a fund.

In addition to average annual returns, a Fund may quote unaveraged or cumulative returns reflecting the simple change in value of an investment over a stated period. Average annual and cumulative returns may be quoted as a percentage or as a dollar amount, and may be calculated for a single investment, a series of investments, or a series of redemptions, over any time period. Returns may be broken down into their components of income and capital (including capital gains and changes in share price) to illustrate the relationship of these factors and their contributions to return. Returns may be quoted on a before-tax and an after-tax basis. Returns may or may not include the effect of a fund's short-term trading fee or the effect of a fund's small balance maintenance fee. Excluding a fund's short-term trading fee or small balance maintenance fee from a return calculation produces a higher return figure. Returns, yields, if applicable, and other performance information may be quoted numerically or in a table, graph, or similar illustration.

From time to time, in advertisements or in reports to shareholders, a Fund's yield or total return may be quoted and compared to that of other mutual funds with similar investment objectives and to stock or other relevant indices. In addition, total return and yield data as reported in national financial publications such as Money Magazine, Forbes, Barron's, The Wall Street Journal, and The New York Times, or in publications of a local or regional nature, may be used in comparing the performance of a Fund. The total return and yield of a Fund may also be compared to data prepared by Lipper, Inc.

From time to time, the Trust may include the following types of information in advertisements, supplemental sales literature and reports to shareholders: (1) discussions of general economic or financial principles (such as the effects of inflation, the power of compounding and the benefits of dollar-cost averaging); (2) discussions of general economic trends; (3) presentations of statistical data to supplement such discussions; (4) descriptions of past or anticipated portfolio holdings for one or more of the Funds within the Trust; (5) descriptions of investment strategies for one or more of such Funds; (6) descriptions or comparisons of various savings and investment products (including but not limited to insured bank products, annuities, qualified retirement plans and individual stocks and bonds) that may or may not include the Funds; (7) comparisons of investment products (including the Funds) with relevant market or industry indices or other appropriate benchmarks; and (8) discussions of Fund rankings or ratings by recognized rating organizations. The Trust may also include calculations, such as hypothetical compounding examples, that describe hypothetical investment results in such communications. Such performance examples will be based on an express set of assumptions and are not indicative of the performance of any of the Funds.

DISCLOSURE OF PORTFOLIO HOLDINGS INFORMATION

Online Disclosure of Ten Largest Holdings. Each of the Funds generally will seek to disclose its ten largest portfolio holdings and the percentages that each of these ten largest portfolio holdings represents of that Fund's total assets as of the most recent calendar-quarter-end (quarter-end ten largest holdings) online at www.americanindependence.com, 15 calendar days after the end of the calendar quarter. Online disclosure of the ten largest stock holdings is made to all categories of persons, including individual investors, institutional investors, intermediaries, third-party service providers, rating and ranking organizations, affiliated persons of a Fund within the Trust, and all other persons.

Online Disclosure of Complete Portfolio Holdings. Each Fund, generally will seek to disclose the Fund's complete portfolio holdings in the semi-annual and annual reports to shareholders within 60 days of the reporting periods, April 30 and October 31, respectively, as well as portfolio holdings reports within 60 days of the fiscal quarter-end periods, January 31 and July 31.

The Funds may also disclose portfolio holdings information in response to a request from a regulatory or other governmental entity.

Portfolio holdings information for the Funds may also be made available more frequently and prior to its public availability ("non-standard disclosure") to:

(1) the Funds' service providers including the Funds' custodian, administrator, fund accountant, financing agents, pricing services and certain others (such as auditors, proxy voting services and securities lending agents) necessary for the Funds' day-to-day operations ("Service Providers"); and

(2) certain Non-Service Providers including ratings agencies and other qualified financial professionals (such as Lipper Analytical Services, Moody's Investors Service, Morningstar, Standard & Poor's Rating Service, Thomson Financial and Vickers Stock Research Corporation) for such purposes as analyzing and ranking the Funds or performing due diligence and asset allocation ("Non-Service Providers"). Generally such information is provided to non-service providers on a monthly and quarterly basis with a five-to-fifteen day lag. The above list of ratings agencies will be updated each year.

Prior to the release of non-standard disclosure to Non-Service Providers, the recipient must adhere to the following conditions:

(1) the recipient does not distribute the portfolio holdings or results of the analysis to third parties, other departments or persons who are likely to use the information for purposes of purchasing or selling the Funds before the portfolio holdings or results of the analysis become public information; and

(2) the recipient signs a written Confidentiality Agreement. Persons and entities unwilling to execute an acceptable Confidentiality Agreement may only receive portfolio holdings information that has otherwise been publicly disclosed in accordance with the Funds' Disclosure Policies; or

(3) the recipient provides assurances of its duty of confidentially by such means as certification as to its policies' adequacy to protect the information that is disclosed.

The Funds have determined that non-standard disclosure to each Service and Non-Service Provider fulfills legitimate business purpose and is in the best interest of shareholders and believes that these arrangements subject the recipients to a duty of confidentiality. Neither the Funds nor the Funds' Adviser or any Sub-Adviser may receive compensation or other consideration in connection with the disclosure of information about portfolio securities. These Disclosure Policies may not be waived or exceptions made, without the consent of the Funds' Chief Compliance Officer. The Board of Trustees has approved this policy and will review any material changes to this policy, and shall periodically review persons or entities receiving non-standard disclosure. The Board of Trustees and Chief Compliance Officer (1) may, on a case-by-case basis, impose additional restrictions on the dissemination of portfolio information beyond those found in the Funds' Disclosure Policies and (2) will address any conflicts of interest involving non-standard disclosure.

FINANCIAL STATEMENTS

The financial statements and financial highlights for the year ended October 31, 2017 have been audited by Grant Thornton LLP, independent registered public accounting firm, as indicated in their report thereon, and are incorporated herein by reference. The American Independence Funds' annual report includes the financial statements referenced above and is available without charge upon request by calling 1-866-410-2006.

MISCELLANEOUS

As used in this SAI, a "majority of the outstanding shares" of a Fund means, with respect to the approval of an investment advisory agreement or change in an investment objective (if fundamental) or a fundamental investment policy, the lesser of (a) 67% of the shares of the particular Fund represented at a meeting at which the holders of more than 50% of the outstanding shares of such Fund are present in person or by proxy, or (b) more than 50% of the outstanding shares of such Fund.

If you have any questions concerning the Trust or any of the Funds, please call 1-866-410-2006.

APPENDIX A – FUTURES AND OPTIONS

As previously stated, the Funds may enter into futures contracts and options in an effort to have fuller exposure to price movements in securities markets pending investment of purchase orders or while maintaining liquidity to meet potential shareholder redemptions and for other hedging and investment purposes. Such transactions are described in this Appendix. Futures contracts are contracts that provide for the sale or purchase of a specified financial instrument or currency at a future time at a specified price. An option on a futures contract gives the purchaser the right (and the writer of the option the obligation) to assume a position in a futures contract at a specified exercise price within a specified period of time. A futures contract may be based on interest rates, various securities (such as U.S. government securities or a single stock ("security future")), securities indices ("stock index future"), foreign currencies, and other financial instruments and indices. These Funds may engage in futures transactions on both U.S. and foreign exchanges.

Futures contracts entered into by one of these Funds (other than single stock futures and narrow based security index futures) are traded either over the counter or on trading facilities such as contract markets, derivatives transaction execution facilities, exempt boards of trade or electronic trading facilities that are licensed and/or regulated to varying degrees by the Commodity Futures Trading Commission ("CFTC") or, with respect to certain contracts, on foreign exchanges. Single stock futures and narrow based security index futures are traded either over the counter or on trading facilities such as contract markets, derivatives transaction execution facilities, and electronic trading facilities that are licensed and/or regulated to varying degrees by both the CFTC and the SEC or, with respect to certain funds, on foreign exchanges. A clearing corporation associated with the exchange or trading facility on which futures are traded guarantees that, if still open, the sale or purchase will be performed on the settlement date.

Neither the CFTC, the National Futures Association ("NFA"), the SEC nor any domestic exchange regulates activities of any foreign exchange or boards of trade, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of the rules of a foreign exchange or board of trade or any applicable foreign law. This is true even if the exchange is formally linked to a domestic market so that a position taken on the market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the foreign futures or foreign options transaction occurs. For these reasons, persons who trade foreign futures or foreign options contracts may not be afforded certain of the protective measures provided by the Commodity Exchange Act, the CFTC's or SEC's regulations and other federal securities laws and regulations and the rules of the NFA and any domestic exchange, including the right to use reparations proceedings before the CFTC and arbitration proceedings provided by the NFA or any domestic futures exchange. In particular, a Fund's investments in foreign futures or foreign options transactions may not be provided the same protections in respect of transactions on United States futures exchanges.

I. INTEREST RATE FUTURES CONTRACTS

Use of Interest Rate Futures Contracts. Bond prices are established in both the cash market and the futures market. In the cash market, bonds are purchased and sold with payment for the full purchase price of the bond being made in cash, generally within five business days after the trade. In the futures market, only a contract is made to purchase or sell a bond in the future for a set price on a certain date. Historically, the prices for bonds established in the futures markets have tended to move generally in the aggregate in concert with the cash market prices and have maintained fairly predictable relationships. Accordingly, the Fund might use interest rate futures as a defense, or hedge, against anticipated interest rate changes and not for speculation. As described below, this would include the use of futures contract sales to protect against expected increases in interest rates and futures contract purchases to offset the impact of interest rate declines.

The Funds presently could accomplish a similar result to that which it hopes to achieve through the use of futures contracts by selling bonds with long maturities and investing in bonds with short maturities when interest rates are expected to increase, or conversely, selling short-term bonds and investing in long-term bonds when interest rates are expected to decline. However, because of the liquidity that is often available in the futures market the protection is more likely to be achieved, perhaps at a lower cost and without changing the rate of interest being earned by a Fund, through using futures contracts.

Description of Interest Rate Futures Contracts. An interest rate futures contract sale would create an obligation by a Fund, as seller, to deliver the specific type of financial instrument called for in the contract at a specific future time for a specified price. A futures contract purchase would create an obligation by the Fund, as purchaser, to take delivery of the specific type of financial instrument at a specific future time at a specific price. The specific securities delivered or taken, respectively, at settlement date, would not be determined until at or near that date. For futures traded on certain trading facilities, the determination would be in accordance with the rules of the exchange or other trading facility on which the futures contract sale or purchase was made.

Although interest rate futures contracts by their terms call for actual delivery or acceptance of securities, in most cases the contracts are closed out before the settlement date without the making or taking of delivery of securities. Closing out a futures contract sale is affected by a Fund entering into a futures contract purchase for the same aggregate amount of the specific type of financial instrument and the same delivery date. If the price in the sale exceeds the price in the offsetting purchase, the Fund is paid the difference and thus realizes a gain. If the offsetting purchase price exceeds the sale price, the Fund pays the difference and realizes a loss. Similarly, the closing out of a futures contract purchase is affected by the Fund's entering into a futures contract sale. If the offsetting sale price exceeds the purchase price, the Fund realizes a gain, and if the purchase price exceeds the offsetting sale price, the Fund realizes a loss.

A public market now exists in futures contracts covering various financial instruments including long-term United States Treasury bonds and notes; GNMA modified pass-through mortgage-backed securities; three-month United States Treasury bills; and ninety-day commercial paper. A Fund may trade in any futures contract for which there exists a public market, including, without limitation, the foregoing instruments. The Fund would deal only in standardized contracts on recognized exchanges and trading facilities.

Examples of Futures Contract Sale. A Fund might engage in an interest rate futures contract sale to maintain the income advantage from continued holding of a long-term bond while endeavoring to avoid part or all of the loss in market value that would otherwise accompany a decline in long-term securities prices. Assume that the market value of a certain security in the Fund tends to move in concert with the futures market prices of long-term United States Treasury bonds ("Treasury bonds"). The Adviser wishes to fix the current market value of this portfolio security until some point in the future. Assume the portfolio security has a market value of 100, and the Adviser believes that, because of an anticipated rise in interest rates, the value will decline to 95. The Fund might enter into futures contract sales of Treasury bonds for an equivalent of 98. If the market value of the portfolio security does indeed decline from 100 to 95, the equivalent futures market price for the Treasury bonds might also decline from 98 to 93. In that case, the five-point loss in the market value of the portfolio security would be offset by the five-point gain realized by closing out the futures contract sale. Of course, the futures market price of Treasury bonds might well decline to more than 93 or to less than 93 because of the imperfect correlation between cash and futures prices mentioned below.

The Adviser could be wrong in its forecast of interest rates and the equivalent futures market price could rise above 98. In this case, the market value of the portfolio securities, including the portfolio security being protected, would increase. The benefit of this increase would be reduced by the loss realized on closing out the futures contract sale.

If interest rate levels did not change, the Fund in the above example might incur a loss of 2 points (which might be reduced by an off-setting transaction prior to the settlement date). In each transaction, transaction expenses would also be incurred.

Examples of Futures Contract Purchase. A Fund might engage in an interest rate futures contract purchase when it is not fully invested in long-term bonds but wishes to defer for a time the purchase of long-term bonds in light of the availability of advantageous interim investments, e.g., shorter-term securities whose yields are greater than those available on long-term bonds. The Fund's basic motivation would be to maintain for a time the income advantage from investing in the short-term securities; the Fund would be endeavoring at the same time to eliminate the effect of all or part of an expected increase in market price of the long-term bonds that the Fund may purchase.

For example, assume that the market price of a long-term bond that a Fund may purchase, currently yielding 10%, tends to move in concert with futures market prices of Treasury bonds. The Adviser wishes to fix the current market price (and thus 10% yield) of the long-term bond until the time (four months away in this example) when it may purchase the bond. Assume the long-term bond has a market price of 100, and the Adviser believes that, because of an anticipated fall in interest rates, the price will have risen to 105 (and the yield will have dropped to about 9 1/2%) in four months. The Fund might enter into futures contracts purchases of Treasury bonds for an equivalent price of 98. At the same time, the Fund would assign a pool of investments in short-term securities that are either maturing in four months or earmarked for sale in four months, for purchase of the long-term bond at an assumed market price of 100. Assume these short-term securities are yielding 15%. If the market price of the long-term bond does indeed rise from 100 to 105, the equivalent futures market price for Treasury bonds might also rose from 98 to 103. In that case, the 5-point increase in the price that the Fund pays for the long-term bond would be offset by the 5-point gain realized by closing out the futures contract purchase.

The Adviser could be wrong in its forecast of interest rates; long-term interest rates might rise to above 10%; and the equivalent futures market price could fall below 98. If short-term rates at the same time fall to 10% or below, it is possible that the Fund would continue with its purchase program for long-term bonds. The market price of available long-term bonds would have decreased. The benefit of this price decrease, and thus yield increase, will be reduced by the loss realized on closing out the futures contract purchase.

If, however, short-term rates remained above available long-term rates, it is possible that the Fund would discontinue its purchase program for long-term bonds. The yield on short-term securities in the portfolio, including those originally in the pool assigned to the particular long-term bond, would remain higher than yields on long-term bonds. The benefit of this continued incremental income will be reduced by the loss realized on closing out the futures contract purchase. In each transaction, expenses would also be incurred.

II. SECURITY FUTURES CONTRACTS AND STOCK AND BOND INDEX FUTURES CONTRACTS

Security Futures Contracts. The Fund may purchase and sell futures contracts for individual securities in order to seek to increase total return or to hedge against changes in securities prices. When securities prices are falling, the Fund can seek, by selling security futures contracts, to offset a decline in the value of its current portfolio securities. When securities prices are rising, the Fund can attempt, by purchasing security futures contracts, to secure better prices than might later be available in the market when it affects anticipated purchases. For example, the Fund may take a "short" position in the futures market by selling futures contracts to seek to hedge against an anticipated decline in market prices that would adversely affect the dollar value of the Fund's portfolio securities. On other occasions, the Fund may take a "long" position by purchasing such futures contracts, for example, when it anticipates the purchase of a particular security when it has the necessary cash, but expects the prices then available in the applicable market to be less favorable than prices that are currently available.

Although under some circumstances prices of securities in the Fund's portfolio may be more or less volatile than prices of such futures contracts, the Adviser will attempt to estimate the extent of this volatility difference based on historical patterns and compensate for any such differential by having the Fund enter into a greater or lesser number of futures contracts or by attempting to achieve only a partial hedge against price changes affecting the Fund's securities portfolio. When hedging of this character is successful, any depreciation in the value of portfolio securities will be substantially offset by appreciation in the value of the futures position. On the other hand, any unanticipated appreciation in the value of the Fund's portfolio securities would be substantially offset by a decline in the value of the futures position.

Stock and Bond Index Futures Contracts. A stock or bond index assigns relative values to the stocks or bonds included in the index and the index fluctuates with changes in the market values of the stocks or bonds included. Some stock index futures contracts are based on broad market indexes, such as the S&P 500 or the New York Stock Exchange Composite Index. In contrast, there are also futures contracts on narrower market indexes, such as the S&P 100 or indexes based on an industry or market segment, such as oil and gas stocks. A stock or bond index futures contract is a bilateral agreement pursuant to which two parties agree to take or make delivery of an amount of cash equal to a specified dollar amount times the difference between the stock index value (which assigns relative values to the common stocks or bonds included in the index) at the close of the last trading day of the contract and the price at which the futures contract is originally struck. No physical delivery of the underlying stocks in the index is made. Futures contracts are traded on organized exchanges regulated by the CFTC. Transactions on such exchanges are cleared through a clearing corporation, which guarantees the performance of the parties to each contract.

A Fund will sell index futures contracts in order to offset an expected decrease in market value of its portfolio securities that might otherwise result from a market decline. A Fund may do so either to hedge the value of its portfolio as a whole, or to protect against declines, occurring prior to sales of securities, in the value of the securities to be sold. Conversely, a Fund will purchase index futures contracts in anticipation of purchases of securities. In a substantial majority of these transactions, a Fund will purchase such securities upon termination of the long futures position, but a long futures position may be terminated without a corresponding purchase of securities.

In addition, a Fund may utilize index futures contracts in anticipation of changes in the composition of its portfolio holdings. For example, in the event that the Fund expects to narrow the range of industry groups represented in its holdings it may, prior to making purchases of the actual securities, establish a long futures position based on a more restricted index, such as an index comprised of securities of a particular industry group. A Fund may also sell futures contracts in connection with this strategy, in order to protect against the possibility that the value of the securities to be sold as part of the restructuring of its portfolio will decline prior to the time of sale.

Following are examples of transactions in stock index futures (net of commissions and premiums, if any):

ANTICIPATORY PURCHASE HEDGE: BUY THE FUTURE

Hedge Objective: Protect Against Increasing Price

Portfolio	Futures
Day Hedge is Placed	
Anticipate Buying \$62,500 Equity Portfolio	Buying 1 Index Futures at 125 Value of Futures: \$62,500/Contract
Day Hedge is Lifted	
Buy Equity Portfolio with Actual Cost = \$60,000 Increase in Purchase Price = \$2,500	Sell 1 Index Futures at 130 Value of Futures = \$60,000/Contract Gain on Futures = \$2,500

HEDGING A STOCK PORTFOLIO: SELL THE FUTURE

Hedge Objective: Protect Against Declining Value of the Fund

Factors: Value of the Fund = \$1,000,000
Value of Futures Contract = 125 x \$500 = \$62,500
Fund Beta Relative to the Index = 1.0

Portfolio	Futures
Day Hedge is Placed	
Anticipate Selling \$1,000,000 Equity Portfolio	Sell 16 Index Futures at 125 Value of Futures = \$1,000,000
Day Hedge is Lifted	
Equity Portfolio: Own stock with Value = \$960,000 Loss in Fund Value = \$40,000	Buy 16 Index Futures at 120 Value of Futures = \$960,000 Gain on Futures = \$40,000

If, however, the market moved in the opposite direction, that is, market value decreased and the Fund had entered into an anticipatory purchase hedge, or market value increased and the Fund had hedged its stock portfolio, the results of the Fund's transactions in stock index futures would be as set forth below.

ANTICIPATORY PURCHASE HEDGE: BUY THE FUTURE

Hedge Objective: Protect Against Increasing Price

Portfolio	Futures
Day Hedge is Placed	
Anticipate Buying \$62,500 Equity Portfolio	Buying 1 Index Futures at 125 Value of Futures = \$62,500
Day Hedge is Lifted	
Buy Equity Portfolio with Actual Cost = \$60,000 Increases in Purchase Price = \$2,500	Sell 1 Index Futures at 120 Value of Futures = \$60,000/Contract Loss on Futures = \$2,500

HEDGING A STOCK PORTFOLIO: SELL THE FUTURE

Hedge Objective:	Protect Against Declining Value of the Fund
Factors:	Value of the Fund = \$1,000,000 Value of Futures Contract = 125 x \$500 = \$62,500 Fund Beta Relative to the Index = 1.0

Portfolio	Futures
Day Hedge is Placed	
Anticipate Selling \$1,000,000 Equity Portfolio	Sell 16 Index Futures at 125 Value of Futures = \$1,000,000
Day Hedge is Lifted	
Equity Portfolio: Own stock with Value = \$1,040,000 Gain in Fund Value = \$40,000	Sell 16 Index Futures at 130 Value Futures = \$1,040,000 Loss of Futures = \$40,000

III. FUTURES CONTRACTS ON FOREIGN CURRENCIES

To the extent a Fund invests in foreign securities, it may purchase and sell futures contracts on foreign currencies in order to seek to increase total return or to hedge against changes in currency exchange rates. A futures contract on foreign currency creates a binding obligation on one party to deliver, and a corresponding obligation on another party to accept delivery of, a stated quantity of a foreign currency, for an amount fixed in U.S. dollars. Foreign currency futures may be used by the Fund to hedge against exposure to fluctuations in exchange rates between the U.S. dollar and other currencies arising from multinational transactions. For example, the Fund may take a "short" position to seek to hedge against an anticipated decline in currency exchange rates that would adversely affect the dollar value of the Fund's portfolio securities. On other occasions, the Fund may take a "long" position by purchasing such futures contracts, for example, when it anticipates the purchase of a particular security when it has the necessary cash, but expects the currency exchange rates then available in the applicable market to be less favorable than rates that are currently available.

IV. MARGIN PAYMENTS

Unlike when a Fund purchases or sells a security, no price is paid or received by the Fund upon the purchase or sale of a futures contract. Initially, the Fund will be required to deposit with the broker or in a segregated account with the Fund's custodian an amount of cash or liquid portfolio securities, the value of which may vary but is generally equal to 10% or less of the value of the contract. This amount is known as initial margin. The nature of initial margin in futures transactions is different from that of margin in security transactions in that futures contract margin does not involve the borrowing of funds by the customer to finance the transactions. Rather, the initial margin is in the nature of a performance bond or good faith deposit on the contract which is returned to the Fund upon termination of the futures contract assuming all contractual obligations have been satisfied. Subsequent payments, called variation margin, to and from the broker, will be made on a daily basis as the price of the underlying instruments fluctuates making the long and short positions in the futures contract more or less valuable, a process known as marking-to-market. For example, when the Fund has purchased a futures contract and the price of the contract has risen in response to a rise in the underlying instruments, that position will have increased in value and the Fund will be entitled to receive from the broker a variation margin payment equal to that increase in value. Conversely, where the Fund has purchased a futures contract and the price of the futures contract has declined in response to a decrease in the underlying instruments, the position would be less valuable and the Fund would be required to make a variation margin payment to the broker. At any time prior to expiration of the futures contract, the Adviser may elect to close the position by taking an opposite position, subject to the availability of a secondary market, which will operate to terminate the Fund's position in the futures contract. A final determination of variation margin is then made, additional cash is required to be paid by or released to the Fund, and the Fund realizes a loss or gain.

V. RISKS OF TRANSACTIONS IN FUTURES CONTRACTS

There are several risks in connection with the use of futures by a Fund. One risk arises because of the imperfect correlation between movements in the price of the future and movements in the price of the securities which are the subject of a hedge. The price of the future may move more than or less than the price of the securities being hedged. If the price of the future moves less than the price of the securities which are the subject of the hedge, the hedge will not be fully effective but, if the price of the securities being hedged has moved in an unfavorable direction, the Fund would be in a better position than if it had not hedged at all. If the price of the securities being hedged has moved in a favorable direction, this advantage will be partially offset by the loss on the future. If the price of the future moves more than the price of the hedged securities, the Fund will experience either a loss or gain on the future which will not be completely offset by movements in the price of the securities which are the subject of the hedge. To compensate for the imperfect correlation of movements in the price of securities being hedged and movements in the price of futures contracts, the Fund may buy or sell futures contracts in a greater dollar amount than the dollar amount of securities being hedged if the volatility over a particular time period of the prices of such securities has been greater than the volatility over such time period of the future, or if otherwise deemed to be appropriate by the Adviser. Conversely, the Fund may buy or sell fewer futures contracts if the volatility over a particular time period of the prices of the securities being hedged is less than the volatility over such time period of the futures contract being used, or if otherwise deemed to be appropriate by the Adviser. It is also possible that, where the Fund has sold futures to hedge its portfolio against a decline in the market, the market may advance and the value of securities held in the Fund may decline. If this occurred, the Fund would lose money on the future and also experience a decline in value in its portfolio securities.

Where futures are purchased to hedge against a possible increase in the price of securities before the Fund is able to invest its cash (or cash equivalents) in securities (or options) in an orderly fashion, it is possible that the market may decline instead; if the Fund then concludes not to invest in securities or options at that time because of concern as to possible further market decline or for other reasons, the Fund will realize a loss on the futures contract that is not offset by a reduction in the price of securities purchased.

In instances involving the purchase of futures contracts by the Fund, an amount of cash or liquid portfolio securities, equal to the market value of the futures contracts, will be deposited in a segregated account with the Fund's Custodian and/or in a margin account with a broker to collateralize the position and thereby reduce the leverage effect resulting from the use of such futures.

In addition to the possibility that there may be an imperfect correlation or no correlation at all, between movements in the futures and any securities being hedged, the price of futures may not correlate perfectly with movement in the cash market due to certain market distortions. Rather than meeting additional margin deposit requirements, investors may close futures contracts through off-setting transactions that could distort the normal relationship between the cash and futures markets. Second, with respect to financial futures contracts, the liquidity of the futures market depends on participants entering into off-setting transactions rather than making or taking delivery. To the extent participants decide to make or take delivery, liquidity in the futures market could be reduced thus producing distortions. Third, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market may also cause temporary price distortions. Due to the possibility of price distortion in the futures market, and because of the imperfect correlation between the movements in the cash market and movements in the price of futures, a correct forecast of general market trends or interest rate movements by the Adviser may still not result in a successful hedging transaction over a short time frame.

Positions in futures may be closed out only if there is a secondary market for such futures. Although the Fund intends to purchase or sell futures only where there appears to be active secondary markets, there is no assurance that a liquid secondary market will exist for any particular contract or at any particular time. In such event, it may not be possible to close a futures investment position, and in the event of adverse price movements, the Fund would continue to be required to make daily cash payments of variation margin. However, in the event futures contracts have been used to hedge portfolio securities, such securities will normally not be sold until the futures contract can be terminated. In such circumstances, an increase in the price of the securities, if any, may partially or completely offset losses on the futures contract. However, as described above, there is no guarantee that the price of the securities will in fact correlate with the price movements in the futures contract and thus provide an offset on a futures contract.

Further, it should be noted that the liquidity of a secondary market in a futures contract may be adversely affected by "daily price fluctuation limits" established by commodity exchanges and other trading facilities which limit the amount of fluctuation in a futures contract price during a single trading day. Once the daily limit has been reached in the contract, no trades may be entered into at a price beyond the limit, thus preventing the liquidation of open futures positions. The trading of futures contracts is also subject to the risk of trading halts, suspensions, exchange, trading facility or clearing house equipment failures, government intervention, insolvency of a brokerage firm or clearing house or other disruptions of normal trading activity, which could at times make it difficult or impossible to liquidate existing positions or to recover excess variation margin payments.

Successful use of futures by the Fund is also subject to the Adviser's ability to predict correctly movements in the direction of the market. For example, if the Fund has hedged against the possibility of a decline in the market adversely affecting securities held in its portfolio and securities prices increase instead, the Fund will lose part or all of the benefit to the increased value of its securities which it has hedged because it will have offsetting losses in its futures positions. In addition, in such situations, if the Fund has insufficient cash, it may have to sell securities to meet daily variation margin requirements. Such sales of securities may be, but will not necessarily be, at increased prices which reflect the rising market. The Fund may have to sell securities at a time when it may be disadvantageous to do so.

VI. OPTIONS ON FUTURES CONTRACTS

The Fund may purchase options on the futures contracts described above. A futures option gives the holder, in return for the premium paid, the right to buy (call) from or sell (put) to the writer of the option a futures contract at a specified price at any time during the period of the option. Upon exercise, the writer of the option is obligated to pay the difference between the cash value of the futures contract and the exercise price. Like the buyer or seller of a futures contract, the holder, or writer, of an option has the right to terminate its position prior to the scheduled expiration of the option by selling, or purchasing, an option of the same series, at which time the person entering into the closing transaction will realize a gain or loss.

Investments in futures options involve some of the same considerations that are involved in connection with investments in futures contracts (for example, the existence of a liquid secondary market). In addition, the purchase of an option also entails the risk that changes in the value of the underlying futures contract will not be fully reflected in the value of the option purchased. Depending on the pricing of the option compared to either the futures contract upon which it is based, or upon the price of the securities being hedged, an option may or may not be less risky than ownership of the futures contract or such securities. In general, the market prices of options can be expected to be more volatile than the market prices on the underlying futures contract. Compared to the purchase or sale of futures contracts, however, the purchase of call or put options on futures contracts may frequently involve less potential risk to the Fund because the maximum amount at risk is the premium paid for the options (plus transaction costs).

VII. OTHER TRANSACTIONS

The Fund is authorized to enter into transactions in any other futures or options contracts which are currently traded or which may subsequently become available for trading. Such instruments may be employed in connection with the Fund's hedging and other investment strategies if, in the judgment of the Adviser, transactions therein are necessary or advisable.

VIII. ACCOUNTING TREATMENT

Accounting for futures contracts and options will be in accordance with generally accepted accounting principles.

APPENDIX B – PROXY VOTING POLICY AND PROCEDURES

MANIFOLD FUND ADVISORS, LLC

GENERAL POLICY

Manifold Fund Advisors, as an investment adviser, is generally responsible for voting proxies with respect to the securities held in accounts of investment companies and other clients ("Clients") for which it provides discretionary investment management services. Manifold Fund Advisors has taken steps in designing these proxy policies and procedures to ensure that proxies are voted in the best interest of our Clients, which generally means voting proxies with a view to enhancing the value of the shares of stock held in client accounts and to be free from conflicts of interest. The policies stated in these Proxy Voting Policy and Procedures (the "Proxy Procedures") pertain to all of Manifold Fund Advisors' Clients.

Manifold Fund Advisors has engaged Broadridge as its proxy voting agent to vote the proxies of securities held in Client accounts for which Manifold Fund Advisors has proxy voting authority. Manifold Fund Advisors utilizes Broadridge's ProxyEdge® Internet tool to review upcoming shareholder meetings or similar corporate actions affecting holdings in Client accounts. Manifold Fund Advisors has authorized Broadridge to vote proxies with respect to securities held in Client accounts in accordance with recommendations provided by Glass, Lewis & Co., LLC ("Glass Lewis"). Glass Lewis is an independent research firm that provides proxy voting services to more than 100 institutional clients and has developed best practices in corporate governance consistent with the best interest of investors. Manifold Fund Advisors has established a Proxy Voting Committee to oversee the proxy voting process and to vote on any proxies for which Glass Lewis does not vote (see "Procedures for Voting Proxies" below for further details). The Proxy Committee is composed of representatives of Manifold Fund Advisors' Compliance, Administration and Portfolio Management departments. The Proxy Committee reviews and, as necessary, may amend periodically these Procedures to address new or revised proxy voting policies or procedures. The Proxy Voting Committee will also evaluate the performance of Glass Lewis on a periodic basis.

Where Manifold Fund Advisors has delegated day-to-day investment management responsibilities to an investment sub-adviser for a Client account, Manifold Fund Advisors will not delegate proxy voting responsibility to such investment sub-adviser.

PROCEDURES FOR VOTING PROXIES

<u>General</u>. The custodians for Client accounts transmit proxy notices to Broadridge through electronic interfaces. As the proxy voting agent, Broadridge monitors and votes the proxies on behalf of Manifold Fund Advisors Clients' accounts. In general, all proxies received from issuers of securities held in Client accounts are referred to Glass Lewis for its analysis and recommendation as to each matter being submitted for a vote. Glass Lewis reviews such proxy proposals and makes voting recommendations in accordance with its proxy voting guidelines. These guidelines address a wide variety of topics, including among others, shareholder voting rights, anti-takeover defenses, board structures, the election of directors, executive and director compensation, reorganizations, mergers and various shareholder proposals. Manifold Fund Advisors has concluded that the Glass Lewis guidelines are substantially in accord with Manifold Fund Advisors' own philosophy regarding appropriate corporate governance and conduct. Securities will be voted in accordance with Glass Lewis' voting recommendations. Manifold Fund Advisors does not intend to deviate from Glass Lewis's recommendations on any proxy proposals.

<u>Guidelines</u>. In determining how to vote a particular proxy, Glass Lewis follows the principles outlined in its current Proxy Paper guidelines. It conducts careful analysis on each issuer looking specifically

at Board composition of an issuer, the firm's financial reporting and integrity of those financial statements, compensation plans and governance structure. Manifold Fund Advisors, as well as the Board of Trustees of the investment company it manages, has accepted the proxy voting guidelines published by Glass Lewis. Manifold Fund Advisors' CCO or his designee will annually review the Glass Lewis Guidelines to ensure they remain appropriate and relevant to Manifold Fund Advisors' proxy voting needs.

Non-Votes. If Glass Lewis does not provide an analysis or recommendation for voting a particular proxy measure or measures, Manifold Fund Advisors will generally abstain, if it determines it would be in its Client's overall best interests not to vote. Such determination may apply in respect of all Client holdings of the securities or only certain specified Clients, as Manifold Fund Advisors deems appropriate under the circumstances. However two members of the Proxy Committee, including at least one representative from Portfolio Management may decide how to vote such proxy. Examples where Manifold Fund Advisors may not vote a security include certain foreign securities positions if, in its judgment, the expense and administrative inconvenience outweighs the benefits to Clients of voting the securities.

CONFLICTS OF INTEREST

The use of Glass Lewis minimizes the number of potential conflicts of interest Manifold Fund Advisors faces in voting proxies, but Manifold Fund Advisors does maintain procedures designed to identify and address those conflicts that do arise. Proxy votes with respect to which an apparent conflict of interest is identified are referred to the Proxy Committee to resolve. Any Proxy Committee member who is himself or herself subject to the identified conflict will not participate in the Proxy Committee's vote on the matter in question. Compliance will record and maintain minutes for the Proxy Committee meetings to document the factors that were considered to evidence that there was a reasonable basis for the Proxy Committee's decision.

Potential conflicts of interest may include:

- The issuer that is soliciting Manifold Fund Advisors' proxy vote is also a client of Manifold Fund Advisors or an affiliate;
- A Manifold Fund Advisors employee has acquired non-public information about an issuer that is soliciting proxies;
- A Manifold Fund Advisors employee has a business or personal relationship with, or financial interest in, the issuer or officer or Board member of the issuer; or
- A Manifold Fund Advisors employee is contacted by management or board member of a company regarding an upcoming proxy vote.

REPORTING AND DISCLOSURE

Once each year, Manifold Fund Advisors shall include in its presentation materials to the Board of Trustees of the investment company which it serves as investment adviser, a record of each proxy voted with respect to portfolio securities of the investment company during the year. With respect to those proxies that Manifold Fund Advisors has identified as involving a conflict of interest or has not voted, Manifold Fund Advisors shall submit a separate report indicating the nature of the conflict of interest and how that conflict was resolved with respect to the voting of the proxy or in the case of non-votes, why it did not vote.

With respect to the investment company which Manifold Fund Advisors manages, Manifold Fund Advisors utilizes Broadridge to prepare and file the annual N-PX. Manifold Fund Advisors reviews the report and approves it for filing. Shareholders of the investment company may receive a copy of the filed report upon request. Manifold Fund Advisors shall disclose within its Form ADV how other Clients can obtain information on how their securities were voted. Manifold Fund Advisors shall also describe this proxy voting policy and procedures within the Form ADV, along with a disclosure that a Client shall be provided a copy upon request.

RECORDKEEPING

Manifold Fund Advisors, in conjunction with Broadridge and Glass Lewis, shall retain records relating to the voting of proxies, including:

(1) A copy of this proxy voting policy and procedures relating to the voting of proxies.

(2) A copy of each proxy statement received by Manifold Fund Advisors regarding portfolio securities in Manifold Fund Advisors client accounts (this requirement may be satisfied by a third party who has agreed in writing to do so or by obtaining a copy of the proxy statement from the EDGAR database).

(3) A record of each vote cast by Manifold Fund Advisors on behalf of a client (this requirement may be satisfied by a third party who has agreed in writing to do so).

(4) A copy of each written client request for information on how Manifold Fund Advisors voted proxies on behalf of the client account, and a copy of any written response by Manifold Fund Advisors to the client account.

(5) A copy of any document prepared by Manifold Fund Advisors that was material to making a decision regarding how to vote proxies or that memorializes the basis for the decision.

These proxy records, required by Rule 204-2(c)(2) under the Advisers Act, shall be retained for five (5) years from the end of the fiscal year during which the last entry was made on such record and during the first two (2) years onsite at the appropriate office of Manifold Fund Advisors.