



Hatteras Alpha Hedged Strategies Fund

QUARTERLY FACT SHEET AS OF MARCH 31, 2012

FUND HIGHLIGHTS

- Designed as a core alternative investment solution for hedge fund strategies
- Multiple hedge fund strategies
- Multiple hedge fund managers

FUND BENEFITS

- Increase alternatives allocation without compromising liquidity
- Asset allocation tool for efficient rebalancing

FUND FACTS

Fund Assets: \$452 Million

Inception Date: 09/23/2002

Portfolio Managers: Michael P. Hennen, CFA
Robert J. Murphy, CFA, FRM, CAIA
Lee W. Schultheis

Manager Tenure: 09/15/2009,
Lee Schultheis since 09/23/2002

Number of Underlying Managers: 21

Benchmark: HFRI Fund of Funds Composite Index

Morningstar Category: Multialternative

Lipper Category: Absolute Return Funds

Share Class	Ticker	CUSIP#
Class No-Load	ALPHX	41902V401
Class A	APHAX	41902V112
Class C	APHCX	41902V104
Class I	ALPIX	41902V872

TERMS

Minimum Investment: \$1,000

Subsequent Investment: \$250

Contribution Period: Daily

Lock-Up Period: None

Liquidity: Daily

STRATEGY ALLOCATION*

	TARGET	CURRENT
Long/Short Equity	35.0%	34.0% ▼
Market Neutral	15.0	14.4 ▼
Relative Value–Long/Short Debt	20.0	23.0 ▲
Event Driven	20.0	19.2 ▼
Managed Futures	10.0	8.6 ▼

*Strategy allocation may not equal 100% as cash equivalents are not applicable.

AVERAGE ANNUAL RETURNS AS OF MARCH 31, 2012

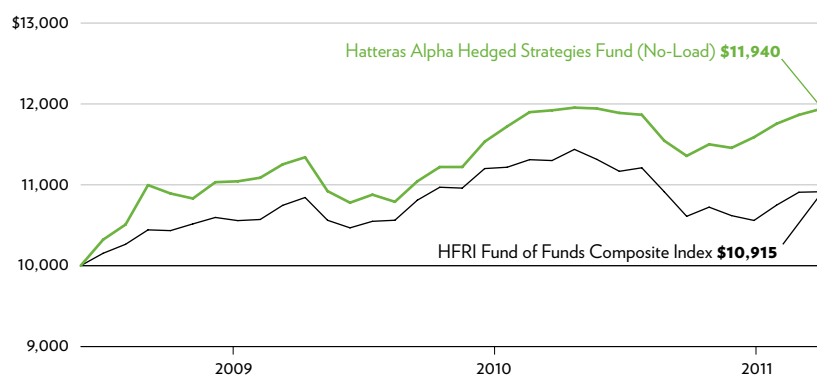
	NO LOAD ALPHX 09/23/02	CLASS A APHAX 05/02/2011 W/O SALES CHARGE	CLASS C APHCX 08/01/06 W/ SALES CHARGE	CLASS I ALPIX 09/30/11	HFRI FOF COMPOSITE INDEX ¹ 10/01/02
Qtr	3.05%	3.15%	-1.73%	2.93%	3.43%
YTD	3.05	3.15	-1.73	2.93	3.36
1-Yr	0.18	0.18	-4.09	-0.57	1.24
2-Yr	3.01	3.01	0.81	2.15	4.08
3-Yr	9.53	9.53	7.95	8.64	10.65
5-Yr	-1.65	-1.65	-2.50	-2.42	-0.65
Since Inception	2.53	2.53	2.07	-1.10	3.82
Net Expense Ratio	3.99	3.99	—	4.74	2.99
Gross Expense Ratio	4.97	4.97	—	5.72	3.97

Dates shown above indicate share class inception.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. To obtain current performance information please call 866.388.6292. The average annual returns shown above are historical and reflect changes in share price, reinvested dividends and are net of expenses. Class C returns reflect a 1.00% contingent deferred sales charge on shares sold within the first year of purchase. The average annual returns for Class A Shares "with sales charge" give effect to the deduction of the maximum sales charge of 4.75%. Class A Shares were not in existence prior to May 2, 2011. Class I Shares were not in existence prior to September 30, 2011 and have a minimum investment of \$1 million. Performance for any periods prior to the inception date of Classes A and I, are based on the historical performance of the No Load Shares adjusted to assume the expenses associated with Class A or I Shares, respectively. Net Fund Operating Expenses noted above are contractually capped through September 30, 2012, and exclude dividends on short positions and interest on borrowing as well as other extraordinary items disclosed in the prospectus. ¹ The HFRI Fund of Funds Composite Index is an uninvestable, unmanaged index that is an equal weighted index of over 650 constituent hedge fund of funds that invest over a broad range of strategies.

FOR MORE INFORMATION, CALL 866.388.6292 OR VISIT HATTERASFUNDS.COM

Defining Alternatives

GROWTH OF \$10,000 SINCE JULY 1, 2009*

This chart illustrates a hypothetical investment and assumes all distributions have been reinvested.

HISTORICAL DATA SINCE JULY 2009*

	ALPHA HEDGED	HFRI FOF COMPOSITE INDEX ¹	S&P 500 TR INDEX ²
Cumulative Return	19.40%	9.15%	62.15%
Standard Deviation ³	5.72%	4.64%	16.08%
Correlation (vs. S&P) ⁴	0.77	0.84	—
Annualized Alpha (vs. S&P) ⁵	1.42%	-1.32%	—
Beta (vs. S&P) ⁶	0.28	0.24	—

UP CAPTURE AND DOWN CAPTURE VS HFRI FOF COMPOSITE INDEX SINCE JULY 2009*

	UP CAPTURE	DOWN CAPTURE
Hatteras Alpha Hedged Strategies Fund (No-Load)	141.81%	76.73%

CALENDAR YEAR PERFORMANCE*

	Q1	Q2	Q3	Q4	YEAR
2012	3.05%	—%	—%	—%	—%
2011	3.35	-0.28	-4.46	2.03	0.47
2010	2.00	-4.21	2.45	4.44	4.54
2009	-2.01	10.05	9.96	0.32	18.95
2008	-5.49	1.75	-12.60	-18.65	-31.63
2007	3.57	3.45	1.31	-0.28	8.25
2006	6.60	0.31	-0.93	3.19	9.32
2005	-0.17	0.85	2.35	-0.23	2.80
2004	2.57	5.21	1.74	6.76	17.23
2003	2.66	-1.00	-0.80	2.37	3.21
2002	—	—	—	-2.10	-2.10

TOP FIVE MANAGERS

Front Four Capital Group Strategy: Event Driven	Allocation: 7.7%
Tamarak Capital Management Strategy: Long/Short Equity	Allocation: 5.8
OMT Capital Management Strategy: Long/Short Equity	Allocation: 5.7
ISF Management Strategy: Long/Short Equity	Allocation: 5.6
Chartwell Investment Partners Strategy: Long/Short Equity	Allocation: 5.3

*Hatteras Funds entered into an agreement to acquire the Fund's investment advisor in July 2009. All performance shown is for the No-Load share class. **2** Standard & Poor's 500 Index is a widely recognized unmanaged, uninvestable index including a representative sample of 500 leading companies in leading sectors of the U.S. economy and is not available for purchase. **3** Measurement of the investment's volatility. **4** A statistical measure of how two securities move in relation to each other. **5** Alpha measures excess return relative to the market; often referred to as a measurement of "manager skill." **6** Measure of a fund's risk relative to the benchmark. **The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The summary prospectus and prospectus contain this and other important information about the investment company, and may be obtained by calling 877.569.2382 or visiting hatterasfunds.com. Read it carefully before investing.**

Key Risk Factors: Certain hedging techniques and leverage employed in the management of the Funds may accelerate the velocity of possible losses. Short selling involves the risk of potentially unlimited increase in the market value of the security sold short, which could result in potentially unlimited loss for the Funds. Derivatives involve investment exposure that may exceed the original cost and a small investment in derivatives could have a large potential impact on the performance of the Funds. Options held in the Funds may be illiquid and the fund manager may have difficulty closing out a position. Fixed Income instruments are exposed to credit and interest rate risks. Investing in lower-rated ("high-yield") debt securities involves special risks in addition to the risks associated with investments in higher-rated debt securities, including a high degree of credit risk and liquidity risk. The Funds may also invest in: smaller capitalized companies-subject to more abrupt or erratic market movements than larger, more established companies; foreign securities, which involve currency risk, different accounting standards and are subject to political instability; securities limited to resale to qualified institutional investors, which can affect their degree of liquidity; shares of other investment companies that invest in securities and styles similar to the Funds, resulting in a generally higher investment cost than from investing directly in the underlying shares of these funds. The Funds intend to utilize these individual securities and hedging techniques in matched combinations that are designed to neutralize or offset the individual risks of employing these techniques separately. Some of these matched strategies include merger arbitrage, long/short equity, convertible bond arbitrage and fixed-income arbitrage. There is no assurance that these strategies will protect against losses. The Funds are non-diversified and therefore may invest in the securities of fewer issuers than diversified funds at any one time; as a result, the gains and losses of a single security may have a greater impact on the Funds' share price. Because the Funds are fund-of-funds, your cost of investing in the Funds will generally be higher than the cost of investing directly in the shares of the mutual funds in which it invests. Mutual fund investing involves risk; loss of principal is possible. Please consult an investment professional for advice regarding your particular circumstances. An investment in the Funds may not be suitable for all investors.

The Funds are distributed by Hatteras Capital Distributors, LLC, an affiliate of Hatteras Alternative Mutual Funds by virtue of common control or ownership.