



HATTERAS  
FUNDS

## 2011 CAPITAL GAINS AND INCOME DISTRIBUTIONS

Hatteras Alpha Hedged Strategies Fund  
Hatteras Long/Short Debt Fund  
Hatteras Long/Short Equity Fund

Hatteras Alpha Hedged Strategies Fund distributed the following amount for 2011. Hatteras Long/Short Debt Fund and Hatteras Long/Short Equity Fund had no distribution requirements for 2011.

### FINAL DISTRIBUTIONS

| FUND                                  | CAPITAL GAINS | DIVIDENDS/<br>ORDINARY INCOME* | RECORD DATE | PAYMENT DATE |
|---------------------------------------|---------------|--------------------------------|-------------|--------------|
| Hatteras Alpha Hedged Strategies Fund | None          | \$0.009 per share              | 12/28       | 12/29        |
| Hatteras Long/Short Debt Fund         | None          | None                           | 12/28       | 12/29        |
| Hatteras Long/Short Equity Fund       | None          | None                           | 12/28       | 12/29        |

\*The distribution amount shown is for all share classes (ALPHX, ALPIX, APHCX, APHAX).

For Hatteras Alpha Hedged Strategies Fund, dividends will be reported on both year-end account statements and on IRS Form 1099-DIV, both to be mailed by February 2012.

For Hatteras Long/Short Debt and Hatteras Long/Short Equity Funds, no 1099-DIV form will be mailed for calendar year 2011.

Hatteras Funds does not provide tax advice. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent advisor.

***The Funds' investment objectives, risks, charges and expenses must be considered carefully before investing. The summary prospectuses 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.***

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