



Hatteras Hedged Strategies Fund

QUARTERLY FACT SHEET AS OF MARCH 31, 2012

FUND HIGHLIGHTS

- Designed as a core alternative allocation 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: \$49 Million

Inception Date: 05/02/2011

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

Manager Tenure: Since inception

Number of Underlying Managers: 18

Benchmark: HFRI Fund of Funds Composite Index

Morningstar Category: Multialternative

Lipper Category: Absolute Return Funds

Share Class	Ticker	CUSIP#
Class I	HHSIX	41902V880

TERMS

Minimum Investment: \$150 Million

Contribution Period: Daily

Lock-Up Period: None

Liquidity: Daily

STRATEGY ALLOCATION*

	TARGET	CURRENT
Long/Short Equity	35.0%	34.4% ▼
Market Neutral	25.0	21.7 ▼
Relative Value–Long/Short Debt	25.0	27.7 ▲
Event Driven	15.0	15.6 ▲

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

AVERAGE ANNUAL RETURNS AS OF MARCH 31, 2012

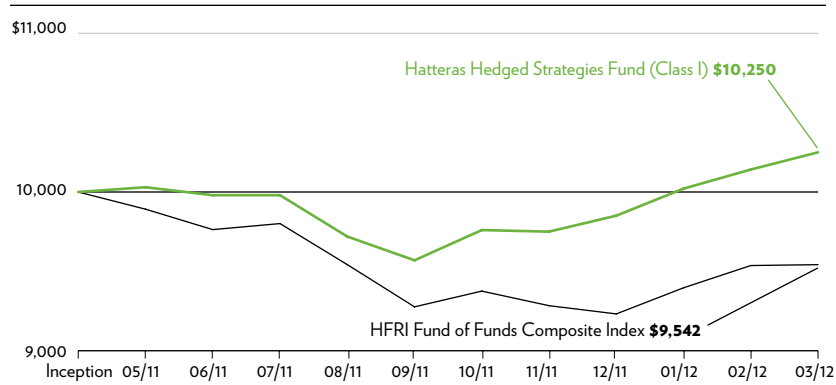
	CLASS I HHSIX	HFRI FUND OF FUNDS COMPOSITE INDEX ¹
Qtr	4.06%	3.36%
Since Inception	2.50	-4.58
Net Expense Ratio	2.25	—
Gross Expense Ratio	3.23	—

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. 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 INCEPTION



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

CALENDAR YEAR PERFORMANCE

	Q1	Q2	Q3	Q4	YEAR
2012	4.06%	—%	—%	—%	—%
2011*	—	-0.20	-4.11	2.93	-1.50

TOP FIVE MANAGERS

Inflection Partners Strategy: Market Neutral	Allocation: 7.8%
Battenkill Capital Management Strategy: Market Neutral	Allocation: 6.6
FrontFour Capital Group Strategy: Relative Value – Long/Short Debt	Allocation: 6.3
Twin Capital Management Strategy: Market Neutral	Allocation: 6.1
Tamarack Capital Management Strategy: Long/Short Equity	Allocation: 5.9

*Q2 period is from May 2, 2011 to June 30, 2011. **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.