



Hatteras Long/Short Debt Fund

QUARTERLY FACT SHEET AS OF MARCH 31, 2012

FUND HIGHLIGHTS

- Designed as a fixed income substitute
- Single hedge fund strategy
- Multiple hedge fund managers

FUND BENEFITS

- Increase long/short debt exposure without compromising liquidity
- A hedged fixed income allocation designed to mitigate risk

FUND FACTS

Fund Assets: \$52 Million

Strategy Assets: \$170 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: 6

Benchmark: HFRX RV Fixed Income Corporate Index

Morningstar Category: Nontraditional Bond

Lipper Category: Global Income Funds

Share Class	Ticker	CUSIP#
Class A	HFIAX	41902V500
Class I	HFINX	41902V609

TERMS

Minimum Investment: \$1,000

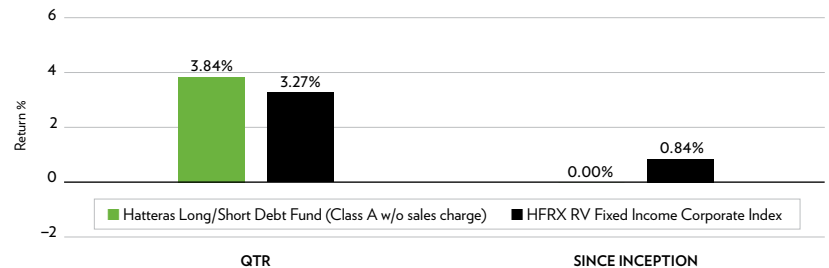
Subsequent Investment: \$250

Contribution Period: Daily

Lock-Up Period: None

Liquidity: Daily

PERFORMANCE



AVERAGE ANNUAL RETURNS AS OF MARCH 31, 2012

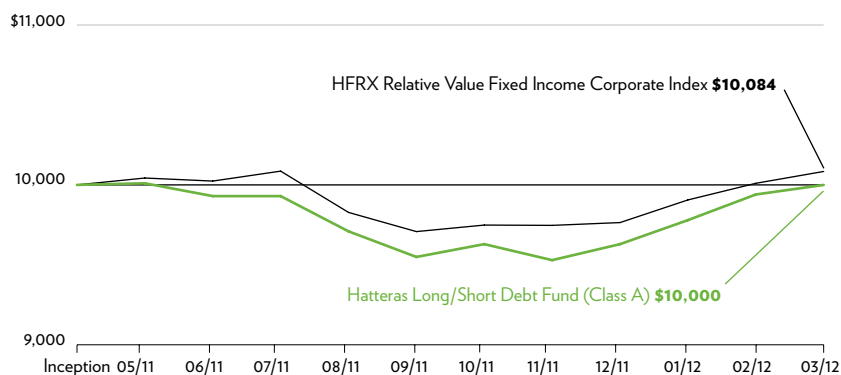
	CLASS A HFIAX		CLASS I HFINX	HFRX RV FIXED INCOME CORPORATE INDEX ¹
	W/O SALES CHARGE	W/SALES CHARGE		
Qtr	3.84%	-1.09%	4.04%	3.27%
Since Inception	0.00	-4.76	0.40	0.84
Net Expense Ratio	2.99	—	2.49	—
Gross Expense Ratio	3.55	—	3.05	—

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. The average annual returns for Class A Shares "with sales charge" give effect to the deduction of the maximum sales charge of 4.75%. 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. Class I shares minimum investment is \$1 million. ¹ The HFRX Relative Value Fixed Income Corporate Index: Investment Managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. The index is an uninvestable, unmanaged index.

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 in Class A shares without the effect of sales charges and assumes all distributions have been reinvested. If a sales charge was included values would have been lower.

CALENDAR YEAR PERFORMANCE*

	Q1	Q2	Q3	Q4	YEAR
2012	3.84%	—%	—%	—%	—%
2011*	—	-0.80	-3.83	0.84	-3.70

TOP FIVE MANAGERS

Sound Point Strategy: Long/Short Credit	Allocation: 18.2%
Smith Breeden Associates Strategy: Multi-Strategy	Allocation: 18.0
Raven Rock Capital Strategy: Multi-Strategy	Allocation: 16.2
Nicholas Investment Partners Strategy: Convertible Arbitrage	Allocation: 14.8
Concise Capital Management Strategy: Hedged High Yield	Allocation: 14.5

*Q2 period is from May 2, 2011 to June 30, 2011. Performance shown is for Class A w/out sales charge. **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.