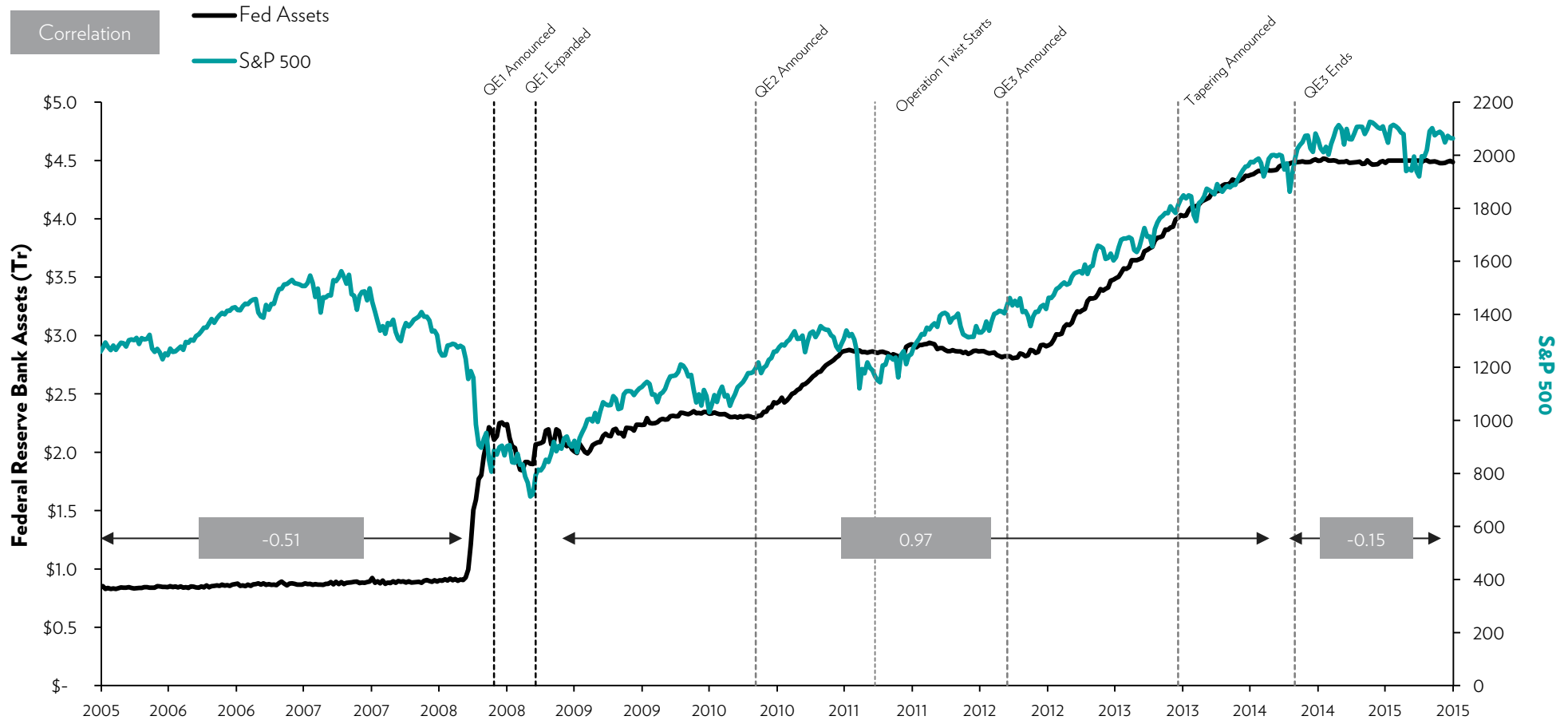


## STOCK MARKET'S RECENT RETURNS APPEAR HIGHLY CORRELATED TO GOVERNMENT SUPPORT

### S&P 500 INDEX AND FEDERAL SPENDING, DECEMBER 31, 2005 – DECEMBER 31, 2015



Source: PerTrac Federal Reserve Bank of St. Louis. Correlation 1 from December 28, 2005 to November 19, 2008; 2 from November 26, 2008 to October 29, 2014; 3 from November 5, 2014 to December 31, 2015. Index returns are provided for illustrative purposes only to demonstrate a hypothetical investment vehicle using broad-based indices of securities. Returns do not represent any actual investment. **Past performance is no guarantee of future results.** The illustrations are not intended to predict the performance of any specific investment or security. The unmanaged indices do not reflect fees and expenses and are not available for direct investment. For performance of the Hatteras Funds visit [hatterasfunds.com](http://hatterasfunds.com).

### DISCLOSURES

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Investors should consider a Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus or, if applicable, summary prospectus contains this and other important information about the Hatteras Fund and may be obtained by calling 866.388.6292, or visiting [hatterasfunds.com](http://hatterasfunds.com). Read it carefully before investing.

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No investment is risk free, loss of principal is possible. Equity values fluctuate in price so the value of your investment can go down depending on market conditions. There can be no assurance that any investment will meet its performance objectives.

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**S&P 500 Index:** An index of 500 stocks chosen for market size, liquidity, and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index with each stock's weight in the index is proportionate to its market value.

**Fed Assets:** A breakdown of the assets and liabilities held by the Federal Reserve. This report essentially outlines the factors that affect both the supply and the absorption of Federal Reserve funds. The Fed balance sheet report reveals the means the Fed uses to inject cash into the economy and is formally known as the Factors Affecting Reserve Balances Report.

**Quantitative Easing:** A form of monetary policy where a Central Bank creates new money electronically to buy financial assets, like government bonds. This process aims to directly increase private sector spending in the economy and return inflation to target.

**Operation Twist:** describes a monetary process where the Fed buys and sells short-term and long-term bonds depending on their objective.

**Correlation:** Correlation is a statistical measure of how two securities move in relation to each other.