



HATTERAS
Investment Partners

ANNUAL REPORT

MARCH 31, 2022

Hatteras Core Alternatives Fund, L.P.

Hatteras Core Alternatives TEI Fund, L.P.

Hatteras Core Alternatives Institutional Fund, L.P.

Hatteras Core Alternatives TEI Institutional Fund, L.P.

ANNUAL REVIEW (UNAUDITED)

For the fiscal year ended March 31, 2022, on a net basis, the Core Alternatives Institutional Fund, L.P. returned +8.35%, the Core Alternatives Fund, L.P. returned +8.31%, the Core Alternatives TEI Institutional Fund, L.P. returned +8.31%, and the Core Alternatives TEI Fund, L.P. returned +8.03%, collectively, the “Feeder Funds”. Each Fund invests substantially all of its assets, directly or indirectly, in Hatteras Master Fund, L.P. (the “Master Fund”). Returns of the Feeder Funds will differ since the Funds have different expenses. The Master Fund outperformed its benchmark, the HFRX Global Hedge Index, which returned +0.95% for the period.

The following description of the Funds’ annual performance is based on information prior to any adjustments on the March 31, 2021 and March 31, 2022 year ends. The audit adjustments at March 31, 2021 resulted in gains of

Private Investments

Private Investments returned +21.85% (Gross) for the period. Buyout and Venture Capital were the top performers for the year, followed by the Energy & Natural Resources and Growth Capital categories. Private Credit funds were a smaller contributor, while the Real Estate category was a slight detractor to annual performance.

Buyout was the largest contributor for the year. Gains were led by a fund that focuses on acquiring interests in mature businesses at a discount via the secondary market. The secondary-focused fund’s gains were broad based for the year but led by the exit of a software development company and new funding rounds for an internet publishing company and an IT consulting business. Additional gains came from newly acquired secondary investments that were purchased at attractive discounts and marked up to fair value during the period. Another contributor was a technology-focused fund that reached an agreement to sell a portion of their stake in a company that provides software solutions to financial institutions. The stake was sold to a well-known private equity sponsor at a significant premium.

The Venture Capital category also added to performance for the year. The top performers were two funds managed by the same general partner with common positions in an

approximately 7.00% and the audit adjustments at March 31, 2022 resulted in additional losses of 0.35%. Actual results presented in the audited financial statements include the unrealized gains (or losses) for this period.

Within the Master Fund, Private Investments drove performance for the year with gains of +21.85% (Gross), while Hedged Investments returned +4.08% (Gross) and Private Preferred Equity Investments returned +1.59% (Gross). The Private Investments portfolio’s gains were led by the Buyout and Venture Capital categories. Within Hedged Investments, gains were driven by the Event Driven and Relative Value categories. At the end of the fiscal year, Private Preferred Equity exposure was 99% of the Master Fund. The Master Fund entered into a significant sale transaction during the year, see Note 7 of Master Fund financial statements for additional information.

online payment processor and an aerospace manufacturer, both of which were marked up following new funding rounds at higher valuations. Within these same funds, additional gains came from recently listed public equity positions, including a data analytics software company and an online hospitality marketplace. Both public equity positions were fully exited during the second quarter.

Energy & Natural Resources and Growth Capital were also notable contributors to annual performance. Energy & Natural Resources was led by two funds managed by the same general partner with a common position in a lithium production company that was exited in the fourth quarter for double its prior valuation. Growth Capital was led by China-focused funds as well as a group of global funds managed by the same general partner where several public listings occurred during the year.

Within Private Credit, gains were led by a consumer-focused fund that exited a position in the retail industry. Real Estate detracted with losses in funds with exposure to emerging markets, including funds focused on Latin America and Brazil.

Hedged Investments

Hedged Investments returned +4.08% (Gross) for the period. Gains were led by the Event Driven and Relative Value categories. Macro funds were a smaller contributor, while the Long Short Equity was a modest detractor to annual performance.

Event Driven was the largest contributor for the year. Gains were led by a multi-strategy event driven manager that trades across event equities, corporate credit, and structured credit. The manager's gains were led by event equity positions, including the recent IPOs of an online lending company and a cybersecurity company.

Relative Value was the second largest contributor for the year. Gains were driven by a multi-strategy manager were led by event driven sub-strategies including merger arbitrage and share class trades. The multi-strategy manager also generated gains in relative value trades at various points

along the U.S. yield curve. A legacy side pocket holding added to performance as a position involved in litigation was marked up during the period.

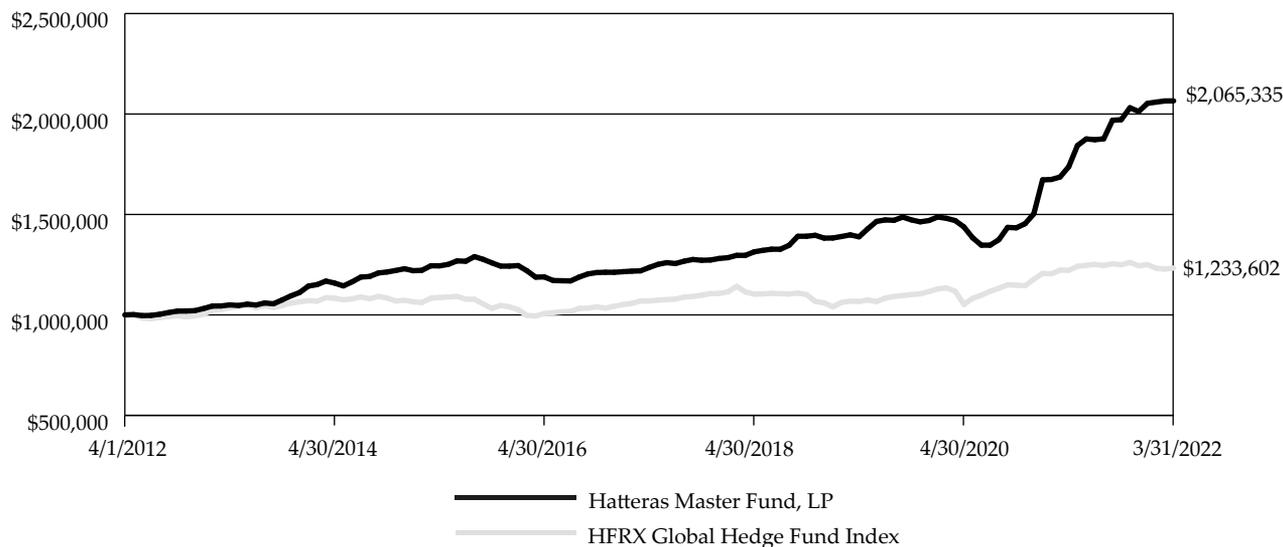
Macro also added to performance for the year as gains from a systematic trading strategy surpassed losses from a discretionary trading manager. The category's systematic trading strategy generated gains from trend following models and long positions in commodity markets. Losses from the discretionary trading manager were driven by short positions in intermediate to long-term interest rates early in the year.

Long Short Equity was a modest detractor for the year. Losses were driven by a legacy side pocket holding with exposure to emerging markets, including companies based in Brazil and India.

PERFORMANCE SUMMARY¹ (UNAUDITED)

HATTERAS MASTER FUND, L.P. (INCEPTION DATE: JANUARY 1, 2005)

Growth of \$1,000,000
(4/1/2012 - 3/31/2022)



Returns	Fund	HFRXGL ²
1-Year	9.61%	-1.35%
5-Year (average annual)	10.87%	2.90%
10-Year (average annual)	7.55%	2.12%

1. Performance results and calculations after the Funds' most recent fiscal year are unaudited. The principal value of the Funds will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original cost. Returns are net of all expenses of the Funds, including the management fee and incentive allocations, and reflect reinvestment of all distributions, if applicable. Returns do not reflect payment of the 2% redemption fee, which would reduce returns shown above. Past performance does not guarantee future results and current performance may be lower or higher than the figures shown.

2. HFRX Global Hedge Fund Index (HFRXGL) data is sourced from Bloomberg. The indices are unmanaged portfolios of securities. Their performance results do not reflect the deduction of management fees, incentive compensation, commissions or other expenses. An investor cannot invest directly in an index. HFRXGL is designed to be representative of the overall composition of the hedge fund universe. It is comprised of eight strategies: convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

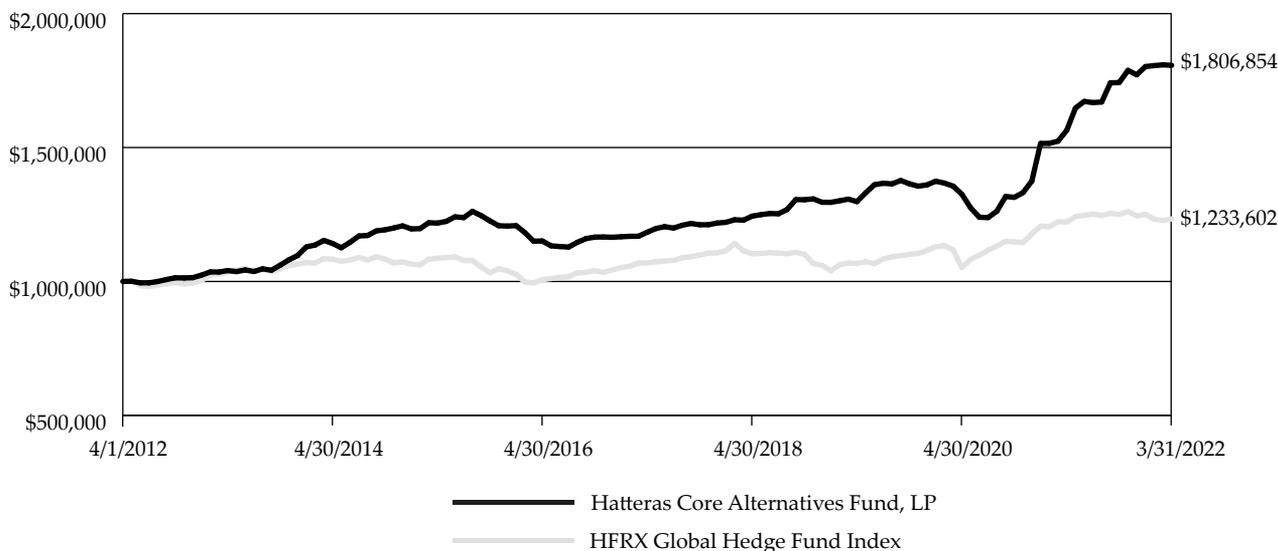
PERFORMANCE SUMMARY¹ (UNAUDITED)

HATTERAS CORE ALTERNATIVES FUND, L.P. (INCEPTION DATE: APRIL 1, 2005)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year ²
2022	0.20%	0.16%	-0.10%										0.26%
2021	0.03%	0.55%	9.70%	-1.24%	1.49%	-0.26%	0.13%	4.29%	0.05%	2.61%	-0.92%	1.73%	19.20%
2020	-0.52%	-0.83%	-9.20%	3.37%	-2.75%	-0.10%	1.92%	4.35%	-0.24%	1.35%	3.24%	10.19%	10.24%
2019	0.44%	0.49%	5.30%	-3.32%	2.25%	0.39%	-0.18%	0.93%	-0.90%	-0.64%	0.34%	1.02%	6.09%
2018	0.78%	-0.12%	3.10%	-1.31%	0.34%	-0.08%	1.27%	2.93%	-0.05%	0.25%	-0.97%	-0.02%	6.20%
2017	0.14%	0.02%	1.96%	0.46%	0.58%	-0.44%	0.87%	0.57%	-0.40%	0.01%	0.52%	0.22%	4.57%
2016	-2.16%	-2.72%	-1.21%	-0.29%	-0.22%	-0.19%	1.58%	1.21%	0.47%	0.04%	-0.09%	0.16%	-3.44%
2015	0.08%	1.84%	-0.11%	0.53%	1.39%	-0.24%	1.87%	-1.25%	-1.59%	-1.46%	-0.11%	0.14%	1.02%
2014	0.60%	1.54%	-0.64%	-1.38%	1.39%	2.07%	0.16%	1.47%	0.34%	0.57%	0.67%	-0.94%	5.92%
2013	1.16%	-0.03%	0.54%	-0.39%	0.59%	-0.53%	0.94%	-0.50%	1.81%	1.88%	1.50%	2.94%	10.31%
2012	1.96%	0.89%	-0.18%	0.07%	-0.58%	0.01%	0.50%	0.74%	0.64%	-0.04%	0.08%	0.94%	5.10%
2011	0.41%	1.09%	0.69%	0.83%	-0.22%	-0.79%	0.19%	-2.37%	-3.27%	1.02%	-0.96%	-0.56%	-3.97%
2010	-0.30%	0.06%	1.72%	0.94%	-2.63%	-1.13%	0.34%	-0.11%	2.29%	1.30%	0.28%	2.31%	5.06%
2009	0.17%	-0.43%	-0.50%	0.49%	3.69%	0.79%	2.20%	1.20%	2.39%	0.11%	0.85%	0.95%	12.50%
2008	-2.89%	1.86%	-2.88%	1.57%	2.10%	-0.48%	-2.84%	-1.53%	-8.28%	-7.54%	-4.29%	-1.01%	-23.79%
2007	0.97%	0.67%	1.60%	1.86%	2.01%	0.78%	-0.05%	-1.85%	1.93%	2.71%	-1.72%	0.92%	10.16%
2006	2.80%	-0.20%	1.74%	1.10%	-1.97%	-0.75%	0.37%	0.76%	0.26%	1.60%	2.09%	0.93%	8.98%
2005	-1.54%	0.26%	1.46%	2.16%	0.48%	1.39%	-1.46%	1.35%	1.85%	6.04%			

Returns	Fund	S&P 500 ³	HRFXGL ³	Historical Data (since inception)	Fund	S&P 500 ³	HRFXGL ³
Year-to-date	0.26%	-4.60%	-1.35%	Cumulative Return	104.92%	441.06%	25.48%
1-Year	8.31%	15.65%	0.95%	Standard Deviation ⁴	6.21%	14.67%	5.48%
3-Year (average annual)	9.58%	18.92%	4.96%	Largest Drawdown ⁵	-24.98%	50.95%	-25.21%
5-Year (average annual)	8.89%	15.99%	2.90%	Drawdown — # of months ⁶	17	16	14
10-Year (average annual)	6.13%	14.64%	2.12%				
Annualized Since Inception	4.31%	10.44%	1.34%				

Growth of \$1,000,000
(4/1/2012 - 3/31/2022)



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2. Cumulative return. Returns are net of all expenses of the Funds, including the management fee and incentive allocations, and reflect reinvestment of all distributions, if applicable. Returns do not reflect payment of placement fees, if applicable, which would reduce returns noted above.
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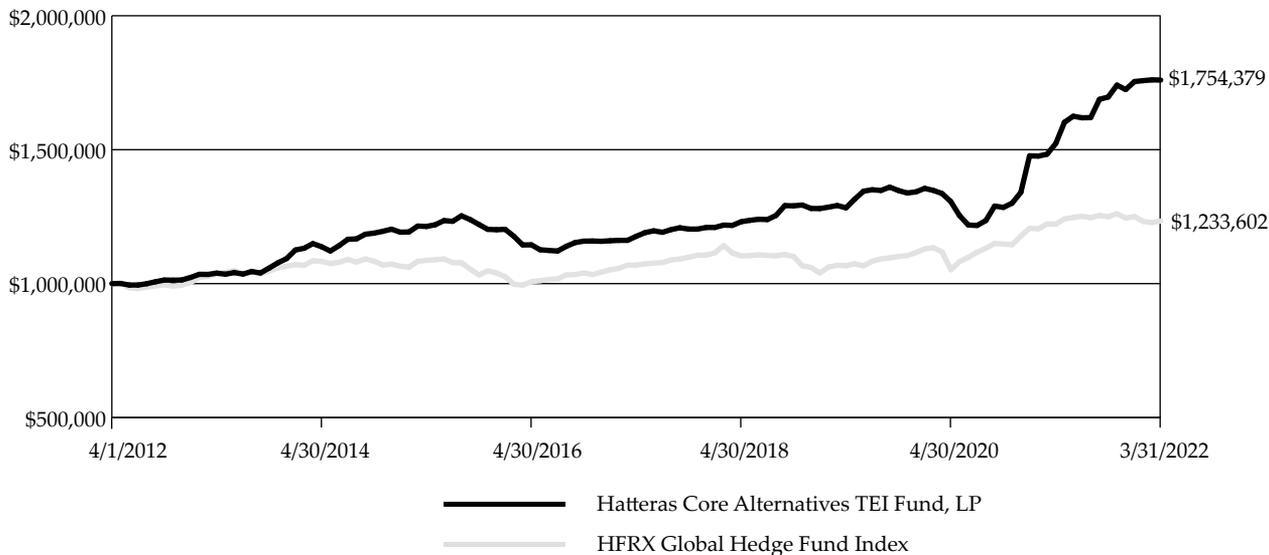
PERFORMANCE SUMMARY¹ (UNAUDITED)

HATTERAS CORE ALTERNATIVES TEI FUND, L.P. (INCEPTION DATE: APRIL 1, 2005)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year ²
2022	0.19%	0.16%	-0.35%										0.01%
2021	-0.07%	0.48%	9.70%	-1.33%	1.40%	-0.36%	0.04%	4.21%	0.52%	2.61%	-0.94%	1.73%	18.98%
2020	-0.56%	-0.87%	-9.25%	3.18%	-2.78%	-0.13%	1.50%	4.38%	-0.38%	1.22%	3.10%	10.20%	8.96%
2019	0.42%	0.47%	5.35%	-3.35%	2.24%	0.40%	-0.19%	0.92%	-0.94%	-0.67%	0.30%	0.98%	5.89%
2018	0.72%	-0.09%	3.00%	-1.33%	0.32%	-0.10%	1.25%	2.92%	-0.07%	0.23%	-0.99%	-0.04%	5.90%
2017	0.13%	0.01%	1.96%	0.45%	0.58%	-0.46%	0.85%	0.56%	-0.41%	0.00%	0.50%	0.01%	4.29%
2016	-2.17%	-2.73%	-1.28%	-0.31%	-0.22%	0.00%	1.57%	1.21%	0.48%	0.04%	-0.09%	0.17%	-3.55%
2015	0.08%	1.83%	-0.12%	0.52%	1.28%	0.29%	1.68%	-1.14%	-1.47%	-1.48%	-0.13%	0.12%	0.90%
2014	0.59%	1.52%	-0.65%	-1.40%	1.39%	2.06%	0.14%	1.48%	0.35%	0.57%	0.67%	-0.94%	5.89%
2013	1.15%	-0.04%	0.48%	-0.39%	0.59%	0.00%	0.92%	-0.52%	1.77%	1.85%	1.47%	2.92%	10.02%
2012	1.94%	0.88%	-0.20%	0.06%	-0.59%	0.00%	0.49%	0.73%	0.63%	-0.05%	0.08%	0.93%	4.99%
2011	0.41%	1.09%	0.68%	0.83%	-0.22%	-0.79%	0.19%	-2.37%	-3.28%	1.01%	-0.96%	-0.59%	-4.02%
2010	-0.34%	0.06%	1.72%	0.94%	-2.63%	-1.12%	0.35%	-0.12%	2.27%	1.28%	0.26%	2.29%	4.95%
2009	0.16%	-0.44%	-0.50%	0.47%	3.71%	0.79%	2.19%	1.20%	2.39%	0.11%	0.85%	0.95%	12.48%
2008	-2.95%	1.82%	-2.92%	1.53%	2.08%	-0.52%	-2.88%	-1.57%	-8.33%	-7.56%	-4.31%	-0.86%	-23.98%
2007	0.94%	0.64%	1.58%	1.83%	1.99%	0.75%	-0.07%	-1.88%	1.89%	2.68%	-1.74%	0.87%	9.79%
2006	2.77%	-0.20%	1.72%	1.09%	-1.98%	-0.75%	0.37%	0.72%	0.23%	1.57%	2.05%	0.90%	8.73%
2005	-1.54%	0.26%	1.46%	2.16%	0.48%	1.39%	-1.46%	1.32%	1.82%	5.97%			

Returns	Fund	S&P 500 ³	HFRXGL ³	Historical Data (since inception)	Fund	S&P 500 ³	HFRXGL ³
Year-to-date	0.01%	-4.60%	-1.35%	Cumulative Return	96.81%	441.06%	25.48%
1-Year	8.03%	15.65%	0.95%	Standard Deviation ⁴	6.20%	14.67%	5.48%
3-Year (average annual)	11.12%	18.92%	4.96%	Largest Drawdown ⁵	-25.23%	-50.95%	-25.21%
5-Year (average annual)	8.37%	15.99%	2.90%	Drawdown — # of months ⁶	17	16	14
10-Year (average annual)	5.82%	14.64%	2.12%				
Annualized Since Inception	4.06%	10.44%	1.34%				

Growth of \$1,000,000
(4/1/2012 - 3/31/2022)



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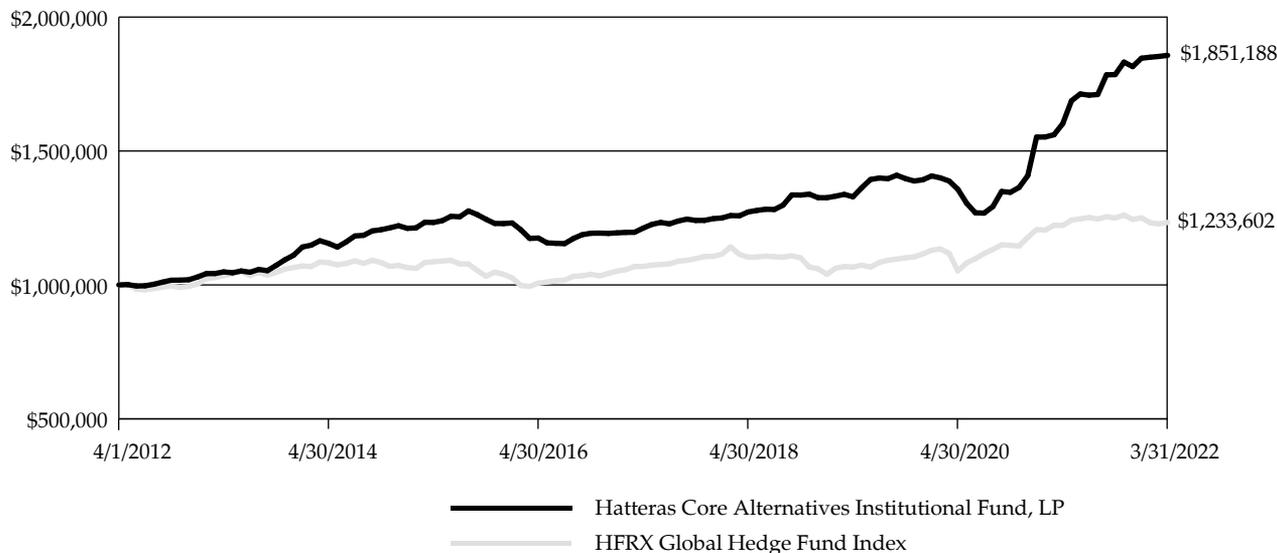
PERFORMANCE SUMMARY¹ (UNAUDITED)

HATTERAS CORE ALTERNATIVES INSTITUTIONAL FUND, L.P. (INCEPTION DATE: JANUARY 1, 2007)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year ²
2022	0.20%	0.16%	-0.10%										0.26%
2021	0.03%	0.53%	9.64%	-1.24%	1.50%	-0.26%	0.14%	4.30%	0.05%	2.61%	-0.91%	1.73%	19.14%
2020	-0.52%	-0.83%	-9.17%	3.37%	-2.74%	-0.09%	1.92%	4.36%	-0.23%	1.36%	3.26%	10.19%	10.30%
2019	0.44%	0.51%	5.33%	-3.32%	2.25%	0.39%	-0.18%	0.93%	-0.90%	-0.64%	0.34%	1.02%	6.14%
2018	0.72%	-0.07%	3.01%	-1.30%	0.35%	-0.08%	1.27%	2.94%	-0.04%	0.25%	-0.97%	-0.02%	6.12%
2017	0.14%	0.04%	1.97%	0.45%	0.59%	-0.44%	0.87%	0.58%	-0.40%	0.01%	0.53%	0.21%	4.65%
2016	-2.09%	-2.65%	-1.20%	-0.22%	-0.14%	-0.11%	1.65%	1.21%	0.47%	0.04%	-0.09%	0.17%	-3.00%
2015	0.14%	1.72%	-0.05%	0.54%	1.32%	-0.15%	1.76%	-1.07%	-1.38%	-1.26%	-0.04%	0.19%	1.66%
2014	0.60%	1.44%	-0.52%	-1.19%	1.31%	1.93%	0.20%	1.39%	0.37%	0.58%	0.66%	-0.79%	6.09%
2013	1.23%	0.03%	0.59%	-0.32%	0.65%	-0.46%	1.00%	-0.43%	1.87%	1.94%	1.57%	2.75%	10.87%
2012	2.03%	0.96%	-0.12%	0.13%	-0.52%	0.07%	0.56%	0.80%	0.70%	0.02%	0.15%	1.00%	5.92%
2011	0.47%	1.15%	0.75%	0.89%	-0.16%	-0.72%	0.25%	-2.31%	-3.20%	1.09%	-0.89%	-0.50%	-3.23%
2010	-0.24%	0.12%	1.78%	1.01%	-2.57%	-1.06%	0.41%	-0.04%	2.36%	1.36%	0.34%	2.37%	5.89%
2009	0.24%	-0.36%	-0.45%	0.55%	3.75%	0.86%	2.27%	1.27%	2.46%	0.17%	0.91%	1.01%	13.35%
2008	-2.85%	1.91%	-2.81%	1.63%	2.14%	-0.42%	-2.78%	-1.47%	-8.22%	-7.50%	-4.23%	-0.94%	-23.27%
2007	1.12%	0.73%	1.65%	1.89%	2.06%	0.82%	0.00%	-1.89%	2.00%	2.75%	-1.71%	0.97%	10.76%

Returns	Fund	S&P 500 ³	HFRXGL ³	Historical Data (since inception)	Fund	S&P 500 ³	HFRXGL ³
Year-to-date	0.26%	-4.60%	-1.35%	Cumulative Return	88.60%	335.81%	10.64%
1-Year	8.35%	15.65%	0.95%	Standard Deviation ⁴	6.33%	15.34%	5.59%
3-Year (average annual)	11.80%	18.92%	4.96%	Largest Drawdown ⁵	-24.29%	-50.95%	-25.21%
5-Year (average annual)	8.91%	15.99%	2.90%	Drawdown — # of months ⁶	17	16	14
10-Year (average annual)	6.39%	14.64%	2.12%				
Annualized Since Inception	4.25%	10.13%	0.67%				

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(4/1/2012 - 3/31/2022)



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5. The peak to trough decline of an investment.

6. Number of months of a peak to trough decline of an investment.

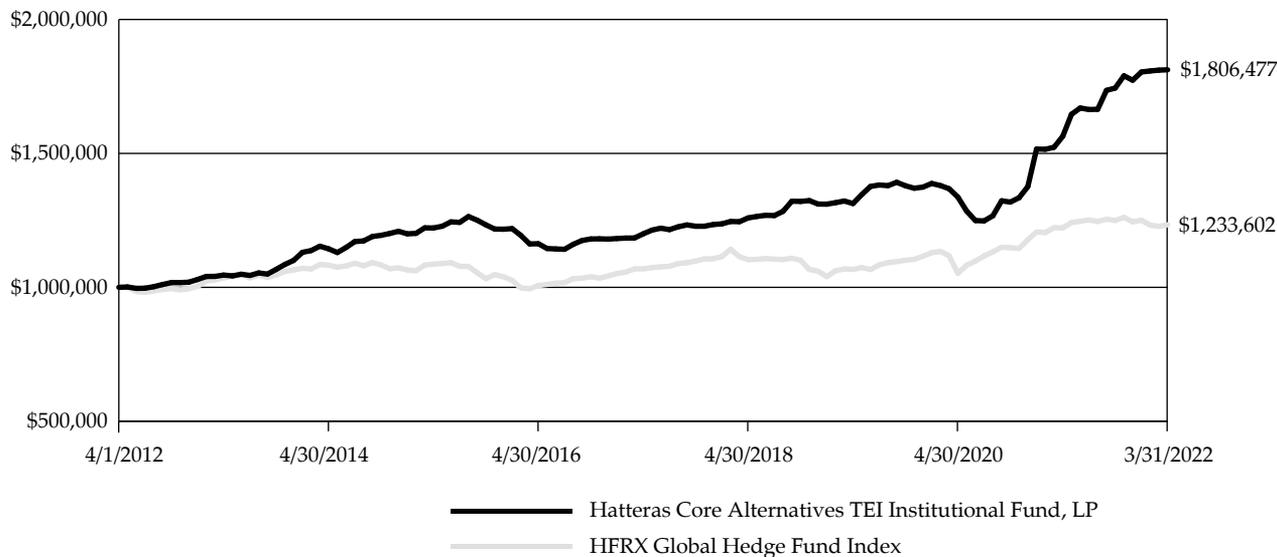
PERFORMANCE SUMMARY¹ (UNAUDITED)

HATTERAS CORE ALTERNATIVES TEI INSTITUTIONAL FUND, L.P. (INCEPTION DATE: FEBRUARY 1, 2007)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year ²
2022	0.21%	0.17%	-0.24%										0.13%
2021	-0.06%	0.50%	9.69%	-1.32%	1.42%	-0.34%	0.06%	4.24%	0.51%	2.62%	-0.93%	1.74%	19.14%
2020	-0.56%	-0.87%	-9.23%	3.32%	-2.77%	-0.11%	1.54%	4.41%	-0.36%	1.23%	3.12%	10.19%	9.26%
2019	0.42%	0.48%	5.31%	-3.34%	2.25%	0.40%	-0.19%	0.92%	-0.94%	-0.67%	0.30%	0.99%	5.90%
2018	0.72%	-0.07%	3.01%	-1.32%	0.33%	-0.09%	1.26%	2.93%	-0.06%	0.24%	-0.98%	-0.03%	6.02%
2017	0.14%	0.03%	1.98%	0.46%	0.59%	-0.44%	0.87%	0.57%	-0.40%	0.01%	0.52%	0.20%	4.63%
2016	-2.09%	-2.65%	-1.24%	-0.24%	-0.14%	-0.11%	1.64%	1.22%	0.49%	0.04%	-0.08%	0.18%	-3.03%
2015	0.14%	1.72%	-0.04%	0.54%	1.32%	-0.15%	1.75%	-1.08%	-1.39%	-1.27%	-0.05%	0.18%	1.62%
2014	0.59%	1.44%	-0.52%	-1.20%	1.30%	1.93%	0.19%	1.40%	0.38%	0.58%	0.67%	-0.79%	6.10%
2013	1.10%	0.03%	0.47%	-0.29%	0.59%	-0.43%	0.90%	-0.41%	1.67%	1.73%	1.40%	2.71%	9.84%
2012	2.01%	0.94%	-0.13%	0.13%	-0.52%	0.07%	0.56%	0.80%	0.70%	0.02%	0.14%	1.00%	5.85%
2011	0.48%	1.16%	0.69%	0.81%	-0.14%	-0.65%	0.23%	-2.24%	-3.21%	1.07%	-0.91%	-0.51%	-3.26%
2010	-0.23%	0.13%	1.79%	1.01%	-2.56%	-1.06%	0.42%	-0.05%	2.34%	1.35%	0.33%	2.36%	5.88%
2009	0.24%	-0.36%	-0.43%	0.54%	3.74%	0.85%	2.26%	1.27%	2.46%	0.18%	0.92%	1.02%	13.37%
2008	-2.87%	1.87%	-2.83%	1.59%	2.09%	-0.44%	-2.82%	-1.50%	-8.26%	-7.51%	-4.24%	-0.91%	-23.48%
2007	0.71%	1.62%	1.87%	2.03%	0.80%	-0.04%	-1.95%	2.01%	2.72%	-1.76%	0.96%	9.23%	

Returns	Fund	S&P 500 ³	HFRXGL ³	Historical Data (since inception)	Fund	S&P 500 ³	HFRXGL ³
Year-to-date	0.13%	-4.60%	-1.35%	Cumulative Return	80.85%	329.32%	9.01%
1-Year	8.31%	15.65%	0.95%	Standard Deviation ⁴	6.33%	15.38%	5.59%
3-Year (average annual)	11.34%	18.92%	4.96%	Largest Drawdown ⁵	-24.53%	-50.95%	-25.21%
5-Year (average annual)	8.60%	15.99%	2.90%	Drawdown — # of months ⁶	17	16	14
10-Year (average annual)	6.12%	14.64%	2.12%				
Annualized Since Inception	3.98%	10.08%	0.57%				

Growth of \$1,000,000
(4/1/2012 - 3/31/2022)



1 Performance results and calculations after the Funds' most recent fiscal year are unaudited. The principal value of the Funds will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original cost. Returns are net of all expenses of the Funds, including the management fee and incentive allocations, and reflect reinvestment of all distributions, if applicable. Returns do not reflect payment of the 2% redemption fee or up-front placement fees, which would reduce returns shown above. Past performance does not guarantee future results and current performance may be lower or higher than the figures shown. The net expense ratio and total expense ratio for the Hatteras Core Alternatives TEI Institutional Fund, L.P. are 2.80% and 5.50%, respectively. The total expense ratio includes Acquired Fund Fees and Expenses of 2.70%. Please see the current Prospectus for detailed information regarding the expenses of the Funds.

2. Cumulative return. Returns are net of all expenses of the Funds, including the management fee and incentive allocations, and reflect reinvestment of all distributions, if applicable. Returns do not reflect payment of placement fees, if applicable, which would reduce returns noted above.

3. S&P 500 Index and HFRX Global Hedge Fund Index (HFRXGL) data are sourced from Bloomberg. The indices are unmanaged portfolios of securities. Their performance results do not reflect the deduction of management fees, incentive compensation, commissions or other expenses. An investor cannot invest directly in an index. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index, with each stock's weight in the Index proportionate to its market value. HFRXGL is designed to be representative of the overall composition of the hedge fund universe. It is comprised of eight strategies: convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

4. Measurement of the investment's volatility.

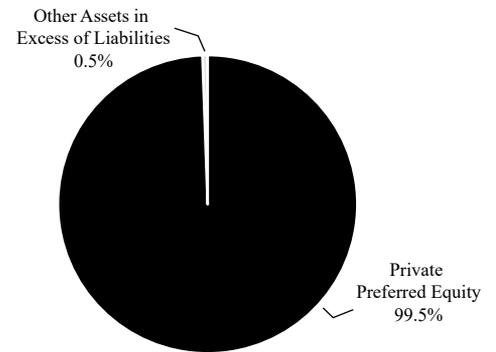
5. The peak to trough decline of an investment.

6. Number of months of a peak to trough decline of an investment.

ALLOCATION AS A PERCENTAGE OF TOTAL INVESTMENTS

Category	Percentage
Private Preferred Equity	99.5%
Other Assets in Excess of Liabilities	0.5%
Total	100.0%

STRATEGY ALLOCATION



DEFINITIONS (UNAUDITED)

Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. In other words, alpha is often considered to represent the value that a portfolio manager adds to or subtracts from a fund's return. A positive alpha of 1.0 means the fund has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%.

HFRX Global Hedge Fund Index: Index data, sourced from Hedge Funds Research, Inc., is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. You cannot invest directly in an index. Benchmark performance should not be considered reflective of performance of the Funds.

HFRX Equity Hedge Index: Equity Hedge strategies maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. Equity Hedge managers would typically maintain at least 50%, or almost all, invested in equities, long and short. You cannot invest directly in an index. Benchmark performance should not be considered reflective of performance of the Funds.

S&P 500 Total Return Index: The Index consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index, with each stock's weight in the Index proportionate to its market value. You cannot invest directly in an index. Benchmark performance should not be considered reflective of performance of the Funds.

STRATEGY DEFINITIONS (UNAUDITED)

Private Investments: Investing in equity-oriented securities through a privately negotiated process. The majority of private investment transactions involve companies that are not publicly traded. Private investments are used by companies that have achieved various stages of development. Most investors access this strategy by investing in private equity funds or private equity funds of funds.

Hedged Investments: Portfolio management that uses sophisticated investment tactics to minimize risk and provide positive returns. Hedged investments are generally set up as private investment partnerships and are not subject to registration under the Investment Company Act of 1940. As such, they may lack liquidity, be available only to certain high net worth investors and institutions, and may use strategies that employ leverage and shorts.

Long/Short Equity: Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios.

Event-Driven: Investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment theses are typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.

Macro: Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods.

Relative Value: 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, and security types range broadly across equity, fixed income, derivative or other security types.

SAFE HARBOR AND FORWARD-LOOKING STATEMENTS DISCLOSURE (UNAUDITED)

Safe Harbor Statement: This presentation shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, the securities in any state or jurisdiction in which such offer or solicitation or sale would be unlawful prior to registration or qualification under the laws of such state or jurisdiction. **Forward-Looking Statements:** This presentation contains certain statements that may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things, statements about our future outlook on opportunities based upon current market conditions. Although the company believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this discussion. Other than as required by law, the company does not assume a duty to update these forward-looking statements. **Past performance is no guarantee of future results.** The illustrations are not intended to predict the performance of any specific investment or security. The past performance figures do not represent performance of any Hatteras security and there can be no assurance that any Hatteras security will achieve the past returns of the illustrative examples. This is not an offering to subscribe for units in any fund and is intended for informational purposes only. An offering can only be made by delivery of the Prospectus to “qualified clients” within the meaning of U.S. securities laws. Diversification does not assure a profit or protect against a loss.

Please carefully consider the investment objectives, risks, and charges and expenses of the Funds before investing. Please read the Prospectus carefully before investing as it contains important information on the investment objectives, composition, fees, charges and expenses, risks, suitability, and tax obligations of investing in the Funds. Copies of the Prospectus and performance data current to the most recent month-end may be obtained online at hatterasfunds.com or by contacting Hatteras at 866.388.6292. Past performance does not guarantee future results.

The Hatteras Core Alternatives Fund, L.P.; the Hatteras Core Alternatives TEI Fund, L.P.; the Hatteras Core Alternatives Institutional Fund, L.P.; and the Hatteras Core Alternatives TEI Institutional Fund, L.P. (collectively referred to herein as the “Hatteras Core Alternatives Fund” or the “Fund”) are Delaware

limited partnerships that are registered under the Investment Company Act of 1940 (the “1940 Act”), as amended, as non-diversified, closed-end management investment companies whose units are registered under the Securities Act of 1933, as amended. The Hatteras Core Alternatives Fund is a fund of alternative investments. As such, the Fund invests in private hedge funds and private equity investments. Hedge funds are speculative investments and are not suitable for all investors, nor do they represent a complete investment program. A hedge fund can be described generally as a private and unregistered investment pool that accepts investors’ money and employs hedging and arbitrage techniques using long and short positions, leverage and derivatives, and investments in many markets.

Key Risk Factors: *The Fund, through an investment in the Master Fund, will invest substantially all of its assets in underlying funds that are generally not registered as investment companies under the 1940 Act and, therefore, the Fund will not have the benefit of various protections provided under the 1940 Act with respect to an investment in those underlying funds. The Fund can be highly volatile, carry substantial fees, and involve complex tax structures. Investments in the Fund involve a high degree of risk, including loss of entire capital. The underlying funds may engage in speculative investment strategies and practices, such as the use of leverage, short sales, and derivatives transactions, which can increase the risk of investment loss. The Fund provides limited liquidity, and units in the Fund are not transferable. Liquidity will be provided only through repurchase offers made by the Fund from time to time, generally on a quarterly basis upon prior written notice. The success of the Fund is highly dependent on the financial and managerial expertise of its principals and key personnel of the Fund’s investment manager. Although the investment manager for the Fund expects to receive detailed information from each underlying fund on a regular basis regarding its valuation, investment performance, and strategy, in most cases the investment manager has little or no means of independently verifying this information. The underlying funds are not required to provide transparency with respect to their respective investments. By investing in the underlying funds indirectly through the Fund, investors will be subject to a dual layer of fees, both at the Fund and underlying fund levels. Certain underlying funds will not provide final Schedule K-1s for any fiscal year before April 15th of the following year. Those funds, however, will endeavor to provide estimates of taxable income or losses with respect to their investments. Please see the Prospectus for a detailed discussion of the specific risks disclosed here and other important risks and considerations.*

Securities offered through Hatteras Capital Distributors, LLC, member FINRA/SIPC. Hatteras Capital Distributors, LLC is affiliated with Hatteras Funds, LP, doing business as Hatteras Investments Partners, by virtue of common control/ownership.

HATTERAS CORE ALTERNATIVES FUND

Hatteras Core Alternatives Fund, L.P.
(a Delaware Limited Partnership)

Hatteras Core Alternatives TEI Fund, L.P.
(a Delaware Limited Partnership)

Hatteras Core Alternatives Institutional Fund, L.P.
(a Delaware Limited Partnership)

Hatteras Core Alternatives TEI Institutional Fund, L.P.
(a Delaware Limited Partnership)

Financial Statements

As of and for the year ended March 31, 2022

HATTERAS CORE ALTERNATIVES FUND

As of and for the year ended March 31, 2022

Hatteras Core Alternatives Fund, L.P. (a Delaware Limited Partnership)
Hatteras Core Alternatives TEI Fund, L.P. (a Delaware Limited Partnership)
Hatteras Core Alternatives Institutional Fund, L.P. (a Delaware Limited Partnership)
Hatteras Core Alternatives TEI Institutional Fund, L.P. (a Delaware Limited Partnership)

Table of Contents

Statements of Assets, Liabilities and Partners' Capital	1
Statements of Operations	2
Statements of Changes in Partners' Capital	3
Statements of Cash Flows	4
Notes to Financial Statements	5-15
Report of Independent Registered Public Accounting Firm	16
Board of Directors (Unaudited)	17
Fund Management (Unaudited)	18
Other Information (Unaudited)	19
Financial Statements of Hatteras Master Fund, L.P.	20

HATTERAS CORE ALTERNATIVES FUND

(each a Delaware Limited Partnership)

STATEMENTS OF ASSETS, LIABILITIES AND PARTNERS' CAPITAL

March 31, 2022

	Hatteras Core Alternatives Fund, L.P.	Hatteras Core Alternatives TEI Fund, L.P.*	Hatteras Core Alternatives Institutional Fund, L.P.	Hatteras Core Alternatives TEI Institutional Fund, L.P.*
Assets				
Investment in Hatteras Master Fund, L.P., at fair value	\$ 47,720,031	\$ 60,170,810	\$ 57,041,929	\$ 151,967,888
Cash and cash equivalents	200,000	205,000	200,000	205,000
Receivable for withdrawals from Hatteras Master Fund, L.P.	29,700	20,517	35,581	73,089
Prepaid assets	23,639	29,802	27,997	74,008
Total assets	47,973,370	60,426,129	57,305,507	152,319,985
Liabilities and partners' capital				
Servicing fees payable	26,023	32,658	31,093	82,469
Performance allocation	29,700	20,517	35,581	73,089
Professional fees payable	54,574	280,508	53,196	493,867
Printing fees payable	3,102	3,102	3,102	3,102
Accounting, administration and transfer agency fees payable	22,101	32,487	25,103	42,857
Custodian fees payable	164	1,053	188	1,071
Other payables	1,283	7,018	1,173	7,569
Total liabilities	136,947	377,343	149,436	704,024
Partners' capital	47,836,423	60,048,786	57,156,071	151,615,961
Total liabilities and partners' capital	\$ 47,973,370	\$ 60,426,129	\$ 57,305,507	\$ 152,319,985
Components of partners' capital				
Paid-in capital	\$ 3,993,955	\$ 10,692,011	\$ 4,189,013	\$ (13,411,007)
Total distributable earnings	43,842,468	49,356,775	52,967,058	165,026,968
Partners' capital	\$ 47,836,423	\$ 60,048,786	\$ 57,156,071	\$ 151,615,961
Net asset value per unit	\$ 161.85	\$ 156.79	\$ 170.67	\$ 166.27
Maximum offering price per unit**	\$ 165.15	\$ 159.99	\$ 170.67	\$ 166.27
Number of authorized units	7,500,000.00	7,500,000.00	10,000,000.00	7,500,000.00
Number of outstanding units	295,558.33	382,987.25	334,897.35	911,872.33

* Consolidated Statement. See Note 2 in the notes to the financial statements.

** The maximum sales load for the Hatteras Core Alternatives Fund, L.P. and the Hatteras Core Alternatives TEI Fund, L.P. is 2.00%. The remaining funds are not subject to a sales load.

See notes to financial statements and financial statements of Hatteras Master Fund, L.P.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

STATEMENTS OF OPERATIONS

For the year ended March 31, 2022

	Hatteras Core Alternatives Fund, L.P.	Hatteras Core Alternatives TEI Fund, L.P.*	Hatteras Core Alternatives Institutional Fund, L.P.	Hatteras Core Alternatives TEI Institutional Fund, L.P.*
Net investment income/(loss) allocated from				
Hatteras Master Fund, L.P.				
Investment income	\$ 281,863	\$ 355,253	\$ 335,422	\$ 892,215
Operating expenses	(783,817)	(989,631)	(932,512)	(2,478,953)
Net investment income/(loss) allocated from				
Hatteras Master Fund, L.P.	(501,954)	(634,378)	(597,090)	(1,586,738)
Feeder Fund investment income				
Interest	2	2	2	2
Total Feeder Fund investment income	2	2	2	2
Feeder Fund expenses				
Servicing fee	316,792	399,259	376,899	999,168
Accounting, administration and transfer agency fees	78,859	119,692	89,371	159,939
Insurance fees	57,714	72,786	67,728	179,700
Professional fees	70,040	34,951	69,603	33,074
Printing fees	8,318	7,761	8,192	7,773
Custodian fees	5,026	4,962	5,028	5,020
Withholding tax	—	212,091	—	370,140
Other expenses	3,690	11,716	8,696	11,570
Total Feeder Fund expenses	540,439	863,218	625,517	1,766,384
Net investment income/(loss)	(1,042,391)	(1,497,594)	(1,222,605)	(3,353,120)
Net realized gain/(loss) and change in unrealized appreciation/depreciation on investments allocated from Hatteras Master Fund, L.P.				
Net realized gain/(loss) from investments in Adviser Funds, securities and foreign exchange transactions	1,736,440	2,243,951	2,001,591	5,253,918
Net change in unrealized appreciation/depreciation on investments and foreign exchange translations	3,539,147	4,409,846	4,266,690	11,401,374
Net realized gain/(loss) and change in unrealized appreciation/depreciation on investments allocated from Hatteras Master Fund, L.P.	5,275,587	6,653,797	6,268,281	16,655,292
Net increase/(decrease) in partners' capital resulting from operations	\$ 4,233,196	\$ 5,156,203	\$ 5,045,676	\$ 13,302,172

* Consolidated Statement. See Note 2 in the notes to the financial statements.

See notes to financial statements and financial statements of Hatteras Master Fund, L.P.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

For the years ended March 31, 2021 and 2022

	Hatteras Core Alternatives Fund, L.P.	Hatteras Core Alternatives TEI Fund, L.P.*	Hatteras Core Alternatives Institutional Fund, L.P.	Hatteras Core Alternatives TEI Institutional Fund, L.P.*
	Limited Partners	Limited Partners	Limited Partners	Limited Partners
Partners' Capital, at March 31, 2020	\$ 45,873,494	\$ 58,262,320	\$ 53,160,074	\$ 142,420,153
Capital contributions	—	—	—	—
Capital withdrawals	(10,844,813)	(12,997,769)	(11,217,367)	(29,975,108)
Performance allocation	(896,532)	(1,037,157)	(1,057,256)	(2,625,852)
Net investment income/(loss)	(916,271)	(1,963,621)	(1,032,200)	(4,342,130)
Net realized gain/(loss) from investments in Adviser Funds, securities and foreign exchange transactions	4,921,904	6,205,717	5,724,160	15,259,888
Net change in unrealized appreciation/depreciation on investments in Adviser Funds, securities and foreign exchange translations	11,142,787	14,085,331	13,003,802	34,684,105
Partners' Capital, at March 31, 2021	\$ 49,280,569	\$ 62,554,821	\$ 58,581,213	\$ 155,421,056
Capital contributions	149,998	50,000	—	—
Capital withdrawals	(5,392,286)	(7,181,758)	(5,952,663)	(15,740,472)
Performance allocation	(435,054)	(530,480)	(518,155)	(1,366,795)
Net investment income/(loss)	(1,042,391)	(1,497,594)	(1,222,605)	(3,353,120)
Net realized gain/(loss) from investments in Adviser Funds, securities and foreign exchange transactions	1,736,440	2,243,951	2,001,591	5,253,918
Net change in unrealized appreciation/depreciation on investments and foreign exchange translations	3,539,147	4,409,846	4,266,690	11,401,374
Partners' Capital, at March 31, 2022	\$ 47,836,423	\$ 60,048,786	\$ 57,156,071	\$ 151,615,961

* Consolidated Statement. See Note 2 in the notes to the financial statements.

See notes to financial statements and financial statements of Hatteras Master Fund, L.P.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS

For the Year Ended March 31, 2022

	Hatteras Core Alternatives Fund, L.P.	Hatteras Core Alternatives TEI Fund, L.P.*	Hatteras Core Alternatives Institutional Fund, L.P.	Hatteras Core Alternatives TEI Institutional Fund, L.P.*
Cash flows from operating activities:				
Net increase/(decrease) in partners' capital resulting from operations	\$ 4,233,196	\$ 5,156,203	\$ 5,045,676	\$ 13,302,172
Adjustments to reconcile net increase/(decrease) in partners' capital resulting from operations to net cash provided by operating activities:				
Purchases of interests in Hatteras Master Fund, L.P.	(149,998)	(213,278)	—	(388,030)
Proceeds, net of change in withdrawals receivable, from withdrawals from Hatteras Master Fund, L.P. and performance allocation payable	6,391,365	8,525,304	7,128,504	18,882,463
Net investment (income)/loss allocated from Hatteras Master Fund, L.P.	501,954	634,378	597,090	1,586,738
Net realized (gain)/loss from investments in Adviser Funds, securities and foreign exchange transactions allocated from Hatteras Master Fund, L.P.	(1,736,440)	(2,243,951)	(2,001,591)	(5,253,918)
Net change in unrealized (appreciation)/depreciation on investments and foreign exchange translations allocated from Hatteras Master Fund, L.P.	(3,539,147)	(4,409,846)	(4,266,690)	(11,401,374)
(Increase)/Decrease in receivable for withdrawals from Hatteras Master Fund, L.P.	4,146,849	4,537,684	3,461,600	9,275,791
(Increase)/Decrease in other receivables	125	—	164	620
(Increase)/Decrease in prepaid assets	950	1,223	498	1,985
Increase/(Decrease) in servicing fees payable	(1,099)	(1,366)	(351)	(987)
Increase/(Decrease) in professional fees payable	21,474	257,608	23,096	470,567
Increase/(Decrease) in printing fees payable	1,365	797	1,352	921
Increase/(Decrease) in accounting, administration and transfer agency fees payable	96	1,882	3,312	3,870
Increase/(Decrease) in custodian fees payable	(1,052)	(1,454)	(1,028)	(1,446)
Increase/(Decrease) in other payables	1,283	6,927	1,173	7,569
Net cash provided by operating activities	9,870,921	12,252,111	9,992,805	26,486,941
Cash flows from financing activities:				
Capital contributions	149,998	50,000	—	—
Capital withdrawals, net of change in withdrawals payable and performance allocation	(9,974,189)	(12,249,921)	(9,932,418)	(26,383,059)
Net cash used in financing activities	(9,824,191)	(12,199,921)	(9,932,418)	(26,383,059)
Net change in cash and cash equivalents	46,730	52,190	60,387	103,882
Cash and cash equivalents at beginning of year	153,270	152,810	139,613	101,118
Cash and cash equivalents at end of year	\$ 200,000	\$ 205,000	\$ 200,000	\$ 205,000
Supplemental disclosure of withholding tax paid	\$ —	\$ 111,038	\$ —	\$ 299,128

* Consolidated Statement. See Note 2 in the notes to the financial statements.

See notes to financial statements and financial statements of Hatteras Master Fund, L.P.

HATTERAS CORE ALTERNATIVES FUNDS
(each a Delaware Limited Partnership)
NOTES TO FINANCIAL STATEMENTS

As of and for the year ended March 31, 2022

1. ORGANIZATION

The Hatteras Core Alternatives Funds, each a “Feeder Fund” and collectively the “Feeder Funds” are:

- Hatteras Core Alternatives Fund, L.P.
- Hatteras Core Alternatives TEI Fund, L.P.
- Hatteras Core Alternatives Institutional Fund, L.P.
- Hatteras Core Alternatives TEI Institutional Fund, L.P.

The Feeder Funds are organized as Delaware limited partnerships, and are registered under the Securities Act of 1933 (the “1933 Act”), as amended, and the Investment Company Act of 1940, as amended (the “1940 Act”), as closed-end, diversified, management investment companies. The primary investment objective of the Feeder Funds is to provide capital appreciation consistent with the return characteristic of the alternative investment portfolios of larger endowments. The Feeder Funds’ secondary objective is to provide capital appreciation with less volatility than that of the equity markets. To achieve their objectives, the Feeder Funds provide their investors with access to a broad range of investment strategies, asset categories and trading advisers (“Advisers”) and by providing overall asset allocation services typically available on a collective basis to larger institutions, through an investment of substantially all of their assets into the Hatteras Master Fund, L.P. (the “Master Fund” together with the Feeder Funds, the “Funds”), which is registered under the 1940 Act. Hatters Funds, LP, doing business as Hatteras Investment Partners (the “Investment Manager” or the “General Partner”), a Delaware limited liability company registered as an investment adviser under the Investment Advisers Act of 1940, as amended, serves as Investment Manager to the Master Fund. Investors who acquire units of limited partnership interest in the Feeder Funds (“Units”) are the limited partners (each, a “Limited Partner” and together, the “Limited Partners”) of the Feeder Funds.

The Hatteras Core Alternatives TEI Fund, L.P. and the Hatteras Core Alternatives TEI Institutional Fund, L.P. each invest substantially all of their assets in the Hatteras Core Alternatives Offshore Fund, LDC and Hatteras Core Alternatives Offshore Institutional Fund, LDC, (each a “Blocker Fund” and collectively the “Blocker Funds”), respectively. The Blocker Funds are Cayman Islands limited duration companies with the same investment objectives as the Feeder Funds. The Blocker Funds serve solely as intermediate entities through which the Hatteras Core Alternatives TEI Fund, L.P. and the Hatteras Core Alternatives TEI Institutional Fund, L.P. invest in the Master Fund. The Blocker Funds enable tax-exempt Limited Partners (as defined below) to invest without receiving certain income in a form that would otherwise be taxable to such tax-exempt Limited Partners regardless of their tax-exempt status. The Hatteras Core Alternatives TEI Fund, L.P. owns 100% of the participating beneficial interests of the Hatteras Core Alternatives Offshore Fund, LDC and the Hatteras Core Alternatives TEI Institutional Fund, L.P. owns 100% of the participating beneficial interests of the Hatteras Core Alternatives Offshore Institutional Fund, LDC. The Notes to Financial Statements discuss the Feeder Funds’ investment in the Master Fund for Hatteras Core Alternatives TEI Fund, L.P. and Hatteras Core Alternatives TEI Institutional Fund, L.P. assuming, and as stated previously in the paragraph, their investment in the Master Fund passes through the applicable Blocker Fund.

Each Feeder Fund is considered an investment company under the 1940 Act, following the accounting principles generally accepted in the United States of America (“GAAP”) and the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, *Financial Services – Investment Companies* (“ASC 946”). The financial statements of the Master Fund, including the Schedule of Investments, are included elsewhere in this report and should be read with the Feeder Funds’ financial statements. The percentages of the Master Fund’s beneficial limited partnership interests owned by the Feeder Funds at March 31, 2022 are:

Hatteras Core Alternatives Fund, L.P.	15.06%
Hatteras Core Alternatives TEI Fund, L.P.	18.99%
Hatteras Core Alternatives Institutional Fund, L.P.	18.00%
Hatteras Core Alternatives TEI Institutional Fund, L.P.	47.95%

Each of the Feeder Funds has an appointed Board of Directors (collectively the “Board”), which has the rights and powers to monitor and oversee the business affairs of the Feeder Funds, including the complete and exclusive authority to oversee and establish policies regarding the management, conduct and operation of the Feeder Funds’ business.

At the meeting of the Feeder Funds’ Board held on December 7, 2021, by a unanimous vote, the Board approved a Plan of Liquidation of the Master Fund and the Feeder Funds.

NOTES TO FINANCIAL STATEMENTS (*Continued*)

As of and for the year ended March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with GAAP and are expressed in United States (“U.S.”) dollars. The following is a summary of significant accounting and reporting policies used in preparing the financial statements.

a. Investment Valuation

The Feeder Funds do not make direct investments in securities or financial instruments, and invest substantially all of their assets in the Master Fund. The Feeder Funds record their investment in the Master Fund at fair value, based on each Feeder Fund’s pro rata percentage of partners’ capital of the Master Fund. Valuation of securities held by the Master Fund, including the Master Fund’s disclosure of investments under the three-tier hierarchy, is also discussed in the notes to the Master Fund’s financial statements included elsewhere in this report.

b. Allocations from the Master Fund

The Feeder Funds record their allocated portion of income, expense, realized gains and losses and change in unrealized appreciation and depreciation from the Master Fund.

c. Feeder Fund Income and Expenses

Interest income on any cash or cash equivalents held by the Feeder Funds is recognized on an accrual basis. Expenses that are specifically attributed to the Feeder Funds are charged to each Feeder Fund. Because the Feeder Funds bear their proportionate share of the management fee of the Master Fund, the Feeder Funds pay no direct management fee to the Investment Manager or sub-adviser. The Feeder Funds’ specific expenses are recorded on an accrual basis.

d. Tax Basis Reporting

Because the Master Fund invested primarily in investment funds that are treated as partnerships for U.S. Federal tax purposes, the tax character of each of the Feeder Fund’s allocated earnings is established dependent upon the tax filings of the investment vehicles operated by the trading advisers (“Adviser Funds”). Accordingly, the tax basis of these allocated earnings and the related balances are not available as of the reporting date.

e. Income Taxes

For U.S. Federal income tax purposes, the Feeder Funds are treated as partnerships, and each Limited Partner in each respective Feeder Fund is treated as the owner of its proportionate share of the partners’ capital, income, expenses, and the realized and unrealized gains/(losses) of such Feeder Fund. Accordingly, no federal, state or local income taxes have been provided on profits of the Feeder Funds since the Limited Partners are individually liable for the taxes on their share of the Feeder Funds.

The Feeder Funds file tax returns as prescribed by the tax laws of the jurisdictions in which they operate. In the normal course of business, the Feeder Funds are subject to examination by federal, state, local and foreign jurisdictions, where applicable. For the Feeder Funds’ tax years ended December 31, 2018 through December 31, 2021, the Feeder Funds are open to examination by major tax jurisdictions under the statute of limitations.

Management has reviewed any potential tax positions as of March 31, 2022 and determined that the Feeder Funds do not have a liability for any unrecognized tax benefits. The Feeder Funds recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations. During the year ended March 31, 2022, the Feeder Funds did not incur any interest or penalties.

The Blocker Funds may be subject to withholding of U.S. Federal income tax at the current statutory rate of their allocable share of the Master Fund’s U.S.-source dividend income and other U.S.-source fixed, determinable annual or periodic gains, profits, or income, as defined in Section 881(a) of the Internal Revenue Code of 1986, as amended. This tax treatment differs in comparison to the tax treatment of most forms of interest income.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

f. Cash and Cash Equivalents

Cash and cash equivalents include amounts held in interest bearing demand deposit accounts. Such cash, at times, may exceed federally insured limits. The Feeder Funds have not experienced any losses in such accounts and do not believe they are exposed to any significant credit risk on such accounts.

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of increases and decreases in partners' capital from operations during the reporting period. Actual results could differ from those estimates.

h. Consolidated Financial Statements

The asset, liability, and equity accounts of the Hatteras Core Alternatives TEI Fund, L.P. and the Hatteras Core Alternatives TEI Institutional Fund, L.P. are consolidated with their respective Blocker Funds, as presented in the Statements of Assets, Liabilities, and Partners' Capital, Statements of Operations, Statements of Changes in Partners' Capital, and Statements of Cash Flows. All intercompany accounts and transactions have been eliminated in consolidation.

3. ALLOCATION OF LIMITED PARTNERS' CAPITAL

Allocation Periods begin on the first calendar day of each month and end at the close of business on the last day of each month ("Allocation Period"). The Feeder Funds maintain a separate capital account ("Capital Account") on their books for each Limited Partner. Net profits or net losses of the Feeder Funds for each Allocation Period will be allocated among and credited to or debited against the Capital Accounts of the Limited Partners. Net profits or net losses will be measured as the net change in the value of the Limited Partners' capital of the Feeder Funds, which includes; net change in unrealized appreciation or depreciation of investments, realized gain/(loss), and net investment income/(loss) during an Allocation Period.

Each Limited Partner's Capital Account will have an opening balance equal to the Limited Partner's initial purchase of the Feeder Fund (i.e., the amount of the investment less any applicable sales load of up to 2.00% of the purchased amount for purchases of Units of Hatteras Core Alternatives Fund, L.P. and Hatteras Core Alternatives TEI Fund, L.P.), and thereafter, will be (i) increased by the amount of any additional purchases by such Limited Partner; (ii) decreased for any payments upon repurchase or sale of such Limited Partner's Units or any distributions in respect of such Limited Partner; and (iii) increased or decreased as of the close of each Allocation Period by such Limited Partner's allocable share of the net profits or net losses of the Feeder Fund.

	Hatteras Core Alternatives Fund, L.P.	Hatteras Core Alternatives TEI Fund, L.P.	Hatteras Core Alternatives Institutional Fund, L.P.	Hatteras Core Alternatives TEI Institutional Fund, L.P.
Ending Units, March 31, 2020	415,269.62	536,628.64	456,745.02	1,244,215.26
Contributions	—	—	—	—
Withdrawals	(85,470.03)	(105,621.27)	(84,849.94)	(231,849.95)
Ending Units, March 31, 2021	329,799.59	431,007.37	371,895.08	1,012,365.31
Contributions	1,001.45	344.33	—	—
Withdrawals	(35,242.71)	(48,364.45)	(36,997.73)	(100,492.98)
Ending Units, March 31, 2022	295,558.33	382,987.25	334,897.35	911,872.33

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (*Continued*)

As of and for the year ended March 31, 2022

4. RELATED PARTY TRANSACTIONS AND OTHER

In consideration for fund services, each Feeder Fund will pay the Investment Manager (in such capacity, the “Servicing Agent”) a fund servicing fee charged at the annual rate of 0.65% of the month-end partners’ capital of each Feeder Fund. The respective Feeder Fund servicing fees payable to the Servicing Agent will be borne by all Limited Partners of the respective Feeder Fund on a pro-rata basis before giving effect to any repurchase of interests in the Master Fund effective as of that date, and will decrease the net profits or increase the net losses of the Master Fund that are credited to its interest holders, including each Feeder Fund.

The General Partner is allocated a performance allocation payable annually equal to 10% of the amount by which net new profits of the limited partner interests of the Master Fund exceed the “hurdle amount,” which is calculated as of the last day of the preceding calendar year of the Master Fund at a rate equal to the yield-to-maturity of the 90-day U.S. Treasury Bill for the last business day of the preceding calendar year (the “Performance Allocation”). The Performance Allocation is calculated for each Feeder Fund at the Master Fund level. The Performance Allocation is made on a “peak to peak,” or “high watermark” basis, which means that the Performance Allocation is made only with respect to new net profits. If the Master Fund has a net loss in any period followed by a net profit, no Performance Allocation will be made with respect to such subsequent appreciation until such net loss has been recovered. A Performance Allocation of \$435,054, \$530,480, \$518,155, and \$1,366,795 for the year ended March 31, 2022, was allocated to the Hatteras Core Alternatives Fund, L.P., Hatteras Core Alternatives TEI Fund, L.P., Hatteras Core Alternatives Institutional Fund, L.P. and Hatteras Core Alternatives TEI Institutional Fund, L.P., respectively.

Hatteras Capital Distributors, LLC (“HCD”), an affiliate of the Investment Manager, serves as the Feeder Funds’ distributor. HCD receives a servicing fee from the Investment Manager based on the partners’ capital of the Master Fund as of the last day of the month (before giving effect to any repurchase of interests in the Master Fund).

U.S. Bank, N.A. (“USB”) serves as custodian of the Feeder Funds’ cash balances and provides custodial services for the Feeder Funds. U.S. Bancorp Fund Services, LLC, d/b/a U.S. Bank Global Fund Services (“Fund Services”), serves as the administrator and accounting agent to the Feeder Funds and provides certain accounting, record keeping and investor related services. The Feeder Funds pay a fee to the custodian and administrator based upon average total Limited Partners’ capital, subject to certain minimums.

The Investment Manager, Portfolio Advisors, LLC (“Portfolio Advisors” or the “Sub-Adviser”) and the Master Fund have entered into an investment Sub-Advisory Agreement (the “Sub-Advisory Agreement”), whereby Portfolio Advisors is compensated by the Investment Manager a portion of the management fee the Investment Manager received from the Master Fund and Performance Allocation, if any.

The Master Fund has engaged Cipperman Compliance Services (“Cipperman”) to provide compliance services including the appointment of the Funds’ Chief Compliance Officer. Cipperman is paid an annual fee of \$63,000 for services provided. On April 7, 2022 Foreside Financial Group, LLC acquired Cipperman.

As of March 31, 2022, Limited Partners who are affiliated with the Investment Manager owned \$1,516,121 (2.64% of partners’ capital) of Hatteras Core Alternatives Institutional Fund, L.P., and \$780,749 (0.51% of partners’ capital) of Hatteras Core Alternatives TEI Institutional Fund, L.P.

5. RISK FACTORS

An investment in the Feeder Funds involves significant risks that should be carefully considered prior to investment and should only be considered by persons financially able to maintain their investment and who can afford a loss of a substantial part or all of such investment. The Master Fund intends to invest substantially all of its available capital in securities of private investment companies. These investments will generally be restricted securities that are subject to substantial holding periods or are not traded in public markets at all, so that the Master Fund may not be able to resell some of its Adviser Fund holdings for extended periods, which may be several years. Limited Partners should refer to the Master Fund’s financial statements included in this report along with the applicable Feeder Fund’s prospectus, as supplemented and corresponding statement of additional information for a more complete list of risk factors. No guarantee or representation is made that the Feeder Funds’ investment objectives will be met.

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

6. REPURCHASE OF LIMITED PARTNERS' UNITS

The Board may, from time to time and in its sole discretion, cause the Feeder Funds to repurchase Units from Limited Partners pursuant to written tenders by Limited Partners at such times and on such terms and conditions as established by the Board. In determining whether the Feeder Funds should offer to repurchase Units, the Board will consider, among other things, the recommendation of the Investment Manager and Sub-Adviser. The Feeder Funds generally expect to offer to repurchase Units from Limited Partners on a quarterly basis as of March 31, June 30, September 30 and December 31 of each year. In no event will more than 20% of the Units of a Feeder Fund be repurchased per quarter. In addition, the Board approved one additional forced repurchase during the year ended March 31, 2022 for Limited Partners with capital balances below a specified minimum of \$20,000 and/or dissolving pension plans. The Feeder Funds do not intend to distribute to the Limited Partners any of the Feeder Funds' income, but generally expect to reinvest substantially all income and gains allocable to the Limited Partners. A Limited Partner may, therefore, be allocated taxable income and gains and not receive any cash distribution. Units repurchased prior to the Limited Partner's one-year anniversary of its initial investment may be subject to a maximum 2.00% repurchase fee. There were no repurchase fees charged during the year ended March 31, 2022. After the Board approval of the Plan of Liquidation at the meeting of the Feeder Funds' Board held on December 7, 2021, the Feeder Funds do not expect to make any offer to repurchase shares prior to its final distribution of any remaining proceeds.

7. INDEMNIFICATION

In the normal course of business, the Feeder Funds enter into contracts that provide general indemnifications. The Feeder Funds' maximum exposure under these agreements is dependent on future claims that may be made against the Feeder Funds, and therefore cannot be established; however, based on experience, the risk of loss from such claims is considered remote.

8. FINANCIAL HIGHLIGHTS

The financial highlights are intended to help an investor understand the Feeder Funds' financial performance. The total returns in the table represent the rate that a Limited Partner would be expected to have earned or lost on an investment in each Feeder Fund.

The ratios and total return amounts for each Feeder Fund are calculated based on each Limited Partner's net asset value. The Investment Manager's interest is excluded from the calculations. An individual Limited Partner's ratios or returns may vary from the table below based on the timing of contributions and withdrawals and Performance Allocation.

The ratios are calculated by dividing total dollars of income or expenses, as applicable, by the average of total monthly Limited Partners' capital. The ratios include the Feeder Funds' proportionate share of the Master Fund's income and expenses.

Total return amounts are calculated based on the change in unit value during each accounting period.

The portfolio turnover rate is calculated based on the Master Fund's investment activity, as turnover occurs at the Master Fund level and the Feeder Funds are typically invested 100% in the Master Fund.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

8. FINANCIAL HIGHLIGHTS (CONTINUED)

	Hatteras Core Alternatives Fund, L.P.	Hatteras Core Alternatives TEI Fund, L.P.	Hatteras Core Alternatives Institutional Fund, L.P.	Hatteras Core Alternatives TEI Institutional Fund, L.P.
Unit Value, March 31, 2017	\$ 106.79	\$ 105.89	\$ 112.53	\$ 111.20
Income from investment operations:				
Net investment income/(loss)	(5.97)	(6.59)	(0.54)	(0.71)
Net realized and unrealized gain/(loss) on investment transactions	12.57	12.67	7.40	7.47
Total from investment operations	6.60	6.08	6.86	6.76
Unit Value, March 31, 2018	113.39	111.97	119.39	117.96
Income from investment operations:				
Net investment income/(loss)	(6.80)	(7.44)	(0.45)	(0.89)
Net realized and unrealized gain/(loss) on investment transactions	16.27	16.58	10.57	10.68
Total from investment operations	9.47	9.14	10.12	9.79
Unit Value, March 31, 2019	122.86	121.11	129.51	127.75
Income from investment operations:				
Net investment income/(loss)	(8.93)	(10.55)	(0.74)	(1.43)
Net realized and unrealized gain/(loss) on investment transactions	(3.46)	(1.99)	(12.38)	(11.85)
Total from investment operations	(12.39)	(12.54)	(13.12)	(13.28)
Unit Value, March 31, 2020	110.47	108.57	116.39	114.47
Income from investment operations:				
Net investment income/(loss)*	(2.38)	(3.94)	(2.44)	(3.76)
Net realized and unrealized gain/(loss) on investment transactions	41.34	40.51	43.57	42.81
Total from investment operations	38.96	36.57	41.13	39.05
Unit Value, March 31, 2021	149.43	145.14	157.52	153.52
Income from investment operations:				
Net investment income/(loss)*	(3.37)	(3.73)	(3.51)	(3.53)
Net realized and unrealized gain/(loss) on investment transactions	15.79	15.38	16.66	16.28
Total from investment operations	12.42	11.65	13.15	12.75
Unit Value, March 31, 2022	\$ 161.85	\$ 156.79	\$ 170.67	\$ 166.27

* Calculated using the average shares outstanding method.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

8. FINANCIAL HIGHLIGHTS (CONTINUED)

Hatteras Core Alternatives Fund, L.P.	For the Years Ended March 31,				
	2022	2021	2020	2019	2018
Total return before Performance Allocation	9.21%	37.17%	(10.06)%	9.04%	6.20%
Performance Allocation	(0.90)%	(1.90)%	(0.02)%	(0.69)%	(0.02)%
Total return after Performance Allocation	8.31%	35.27%	(10.08)%	8.35%	6.18%
Net investment income/(loss) ¹	(2.16)%	(1.94)%	(1.53)%	(1.53)%	(1.90)%
Operating expenses, excluding Performance Allocation ^{1,2,3}	2.75%	2.77%	2.51%	2.30%	2.56%
Performance Allocation ¹	0.90%	1.90%	0.02%	0.69%	0.02%
Net expenses ¹	3.65%	4.67%	2.53%	2.99%	2.58%
Partners' capital, end of year (000's)	\$ 47,836	\$ 49,281	\$ 45,873	\$ 64,607	\$ 74,911
Portfolio turnover rate (Master Fund)	108.49%	3.66%	7.96%	9.62%	18.90%

¹ Ratios include allocations from the Master Fund.

² Ratios calculated based on total expenses and average partners' capital. If the expense ratio calculation had been performed monthly, which is the frequency for striking the Feeder Fund's net asset value, the ratios would have been different.

³ Ratios include other operating expenses of allocated credit facility fees and interest expense from the Master Fund. For the years ended March 31, 2022 - 2018, the ratios of credit facility fees and interest expense to average partners' capital allocated from the Master Fund were 0.11%, 0.10%, 0.04%, 0.05%, and 0.02%, respectively. For the years ended March 31, 2022 - 2018, the ratios of operating expenses excluding allocated credit facility fees and interest expense to average partners' capital were 2.64%, 2.67%, 2.47%, 2.25%, and 2.54%, respectively.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

8. FINANCIAL HIGHLIGHTS (CONTINUED)

Hatteras Core Alternatives TEI Fund, L.P.	For the Years Ended March 31,				
	2022	2021	2020	2019	2018
Total return before Performance Allocation	8.90%	35.43%	(10.36)%	8.83%	6.06%
Performance Allocation	(0.87)%	(1.75)%	0.00%	(0.67)%	(0.32)%
Total return after Performance Allocation	8.03%	33.68%	(10.36)%	8.16%	5.74%
Net investment income/(loss) ¹	(2.46)%	(3.31)%	(1.87)%	(1.71)%	(2.01)%
Operating expenses, excluding Performance Allocation ^{1,2,3}	3.05%	4.13%	2.85%	2.49%	2.66%
Performance Allocation ¹	0.87%	1.75%	0.00%	0.67%	0.32%
Net expenses ¹	3.92%	5.88%	2.85%	3.16%	2.98%
Partners' capital, end of year (000's)	\$ 60,049	\$ 62,555	\$ 58,262	\$ 83,498	\$ 96,872
Portfolio turnover rate (Master Fund)	108.49%	3.66%	7.96%	9.62%	18.90%

¹ Ratios include allocations from the Master Fund.

² Ratios calculated based on total expenses and average partners' capital. If the expense ratio calculation had been performed monthly, which is the frequency for striking the Feeder Fund's net asset value, the ratios would have been different.

³ Ratios include other operating expenses of allocated credit facility fees and interest expense from the Master Fund. For the years ended March 31, 2022 - 2018, the ratios of credit facility fees and interest expense to average partners' capital allocated from the Master Fund were 0.11%, 0.10%, 0.04%, 0.05%, and 0.02%, respectively; and the ratios of withholding tax to average partners' capital were 0.35%, 1.40%, 0.43%, 0.19%, 0.23%, and 0.16%, respectively. For the years ended March 31, 2022 - 2018, the ratios of operating expenses excluding withholding tax, allocated credit facility fees and interest expense to average partners' capital were 2.59%, 2.63%, 2.38%, 2.25%, and 2.41%, respectively.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

8. FINANCIAL HIGHLIGHTS (CONTINUED)

Hatteras Core Alternatives Institutional Fund, L.P.	For the Years Ended March 31,				
	2022	2021	2020	2019	2018
Total return before Performance Allocation	9.25%	37.28%	(10.11)%	9.18%	6.27%
Performance Allocation	(0.90)%	(1.94)%	(0.02)%	(0.70)%	(0.17)%
Total return after Performance Allocation	8.35%	35.34%	(10.13)%	8.48%	6.10%
Net investment income/(loss) ¹	(2.13)%	(1.89)%	(1.53)%	(1.46)%	(1.83)%
Operating expenses, excluding Performance Allocation ^{1,2,3}	2.72%	2.71%	2.50%	2.24%	2.48%
Performance Allocation ¹	0.90%	1.94%	0.02%	0.70%	0.17%
Net expenses ¹	3.62%	4.65%	2.52%	2.94%	2.65%
Partners' capital, end of year (000's)	\$ 57,156	\$ 58,581	\$ 53,160	\$ 73,552	\$ 83,812
Portfolio turnover rate (Master Fund)	108.49%	3.66%	7.96%	9.62%	18.90%

¹ Ratios include allocations from the Master Fund.

² Ratios calculated based on total expenses and average partners' capital. If the expense ratio calculation had been performed monthly, which is the frequency for striking the Feeder Fund's net asset value, the ratios would have been different.

³ Ratios include other operating expenses of allocated credit facility fees and interest expense from the Master Fund. For the years ended March 31, 2022 - 2018, the ratios of credit facility fees and interest expense to average partners' capital allocated from the Master Fund were 0.11%, 0.10%, 0.04%, 0.05%, and 0.02%, respectively. For the years ended March 31, 2022 - 2018, the ratios of operating expenses excluding allocated credit facility fees and interest expense to average partners' capital were 2.61%, 2.61%, 2.46%, 2.19%, and 2.46%, respectively.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

8. FINANCIAL HIGHLIGHTS (CONCLUDED)

Hatteras Core Alternatives TEI Institutional Fund, L.P.	For the Years Ended March 31,				
	2022	2021	2020	2019	2018
Total return before Performance Allocation	9.21%	35.91%	(10.40)%	8.98%	6.25%
Performance Allocation	(0.90)%	(1.80)%	0.00%	(0.68)%	(0.17)%
Total return after Performance Allocation	8.31%	34.11%	(10.40)%	8.30%	6.08%
Net investment income/(loss) ¹	(2.21)%	(2.98)%	(1.82)%	(1.66)%	(1.86)%
Operating expenses, excluding Performance Allocation ^{1,2,3}	2.79%	3.80%	2.80%	2.43%	2.51%
Performance Allocation ¹	0.90%	1.80%	0.00%	0.68%	0.17%
Net expenses ¹	3.69%	5.60%	2.80%	3.11%	2.68%
Partners' capital, end of year (000's)	\$ 151,616	\$ 155,421	\$ 142,420	\$ 198,405	\$ 226,756
Portfolio turnover rate (Master Fund)	108.49%	3.66%	7.96%	9.62%	18.90%

¹ Ratios include allocations from the Master Fund.

² Ratios calculated based on total expenses and average partners' capital. If the expense ratio calculation had been performed monthly, which is the frequency for striking the Feeder Fund's net asset value, the ratios would have been different

³ Ratios include other operating expenses of allocated credit facility fees and interest expense from the Master Fund. For the years ended March 31, 2022 - 2018, the ratios of credit facility fees and interest expense to average partners' capital allocated from the Master Fund were 0.11%, 0.10%, 0.04%, 0.05%, and 0.02%, respectively; and the ratios of withholding tax to average partners' capital were 0.24%, 1.24%, 0.46%, 0.25%, 0.22%, and 0.14%, respectively. For the years ended March 31, 2022 - 2018, the ratios of operating expenses excluding withholding tax, allocated credit facility fees and interest expense to average partners' capital were 2.44%, 2.46%, 2.30%, 2.13%, and 2.27%, respectively.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (*Concluded*)

As of and for the year ended March 31, 2022

9. SUBSEQUENT EVENTS

Management has evaluated the events and transactions through the date the financial statements were issued and determined there were no subsequent events that required adjustment to our disclosure in the financial statements.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Partners of
Hatteras Core Alternatives Fund, L.P.,
Hatteras Core Alternatives TEI Fund, L.P.,
Hatteras Core Alternatives Institutional Fund, L.P., and
Hatteras Core Alternatives TEI Institutional Fund, L.P.

Opinion on the Financial Statements

We have audited the accompanying statements of assets, liabilities and partners' capital of Hatteras Core Alternatives Fund, L.P. and Hatteras Core Alternatives Institutional Fund, L.P. as of March 31, 2022, and the related statements of operations and cash flows for the year then ended, the statements of changes in partners' capital for each of the two years in the period then ended, the related notes, and the financial highlights (as presented in Note 8 to the financial statements) for each of the five years in the period then ended.

We have also audited the consolidated statements of assets, liabilities and partners' capital of Hatteras Core Alternatives TEI Fund, L.P. and Hatteras Core Alternatives TEI Institutional Fund, L.P. (collectively with Hatteras Core Alternatives Fund, L.P. and Hatteras Core Alternatives Institutional Fund, L.P., the "Feeder Funds") as of March 31, 2022, and the related consolidated statements of operations and cash flows for the year then ended, the statements of changes in partners' capital for each of the two years in the period then ended, the related notes, and the financial highlights (as presented in Note 8 to the financial statements) for each of the five years in the period then ended (collectively with Hatteras Core Alternatives Fund, L.P. and Hatteras Core Alternatives Institutional Fund, L.P. referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Feeder Funds as of March 31, 2022, the results of their operations and their cash flows for the year then ended, the changes in partners' capital for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Feeder Funds' management. Our responsibility is to express an opinion on the Feeder Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Feeder Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2022, by correspondence with the custodian or by other auditing procedures as appropriate in the circumstances. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the auditor for one or more funds advised by Hatteras Investment Partners since 2013.

COHEN & COMPANY, LTD.
Cleveland, Ohio
May 31, 2022

HATTERAS CORE ALTERNATIVES FUND

(each a Delaware Limited Partnership)

BOARD OF DIRECTORS

(Unaudited)

The identity of the Board members (each a “Director”) and brief biographical information, is set forth below. The business address of each Director is care of Hatteras Investment Partners, 8510 Colonnade Center Drive, Suite 150, Raleigh, NC 27615. The term of office of each Director is from the time of such Director’s election and qualification until his or her successor shall have been elected and shall have qualified, or until he or she is removed, resigns or is subject to various disabling events such as death or incapacity. A Director may resign upon 90 days’ prior written notice to the Board and may be removed either by a vote of a majority of the Board not subject to the removal vote or of Limited Partners holding not less than two-thirds of the total number of votes eligible to be cast by all of the Limited Partners. The Feeder Funds’ Statements of Additional Information include information about the Directors and may be obtained without charge by calling 1-888-363-2324.

Name & Date of Birth	Position(s) Held with the Feeder Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Director	Number of Portfolios in Fund Complex ¹ Overseen by Director
INTERESTED DIRECTOR				
David B. Perkins ² July, 1962	President and Chairman of the Board of Directors	Since Inception	President and Trustee, each fund in the Fund Complex (2004 to present); Chief Executive Officer of Hatteras Investment Partners (2014 to present); Co-Founder of Hatteras Investment Partners LLC and its affiliated entities (“Hatteras Funds”) in 2003.	5
INDEPENDENT DIRECTORS				
H. Alexander Holmes May, 1942	Director; Audit Committee Member	Since Inception	Founder, Holmes Advisory Services, LLC, a financial consultation firm (1993 to present).	5
Steve E. Moss, CPA February, 1953	Director; Audit Committee Member	Since Inception	Principal, Holden, Moss, Knott, Clark & Copley, PA, accountants and business consultants (1996 to present).	5
Gregory S. Sellers May, 1959	Director; Audit Committee Member	Since Inception	Chief Financial Officer, Chief Operating Officer, Spectrum Consultants, Inc., a sales marketing firm in the prior housing industry (2015 to present); Chief Financial Officer, Imagemark Business Services, Inc., a provider of marketing and print communications solutions (2009 to 2015).	5
Thomas Mann February, 1950	Director; Audit Committee Member	Since 2013	Private Investor (2012 to present).	5

¹ The “Fund Complex” consists of, as of March 31, 2022, the Feeder Funds and the Master Fund.

² Deemed to be an “Interested” Director of the Feeder Funds because of his affiliations with Hatteras Investment Partners.

HATTERAS CORE ALTERNATIVES FUND

(each a Delaware Limited Partnership)

FUND MANAGEMENT

(Unaudited)

Set forth below is the name, date of birth, position with each Feeder Fund, length of term of office, and the principal occupation for the last five years, of each of the persons currently serving as Executive Officers of the Feeder Funds. The business address of each officer is care of Hatteras Investment Partners, 8510 Colonnade Center Drive, Suite 150, Raleigh, NC 27615.

Name & Date of Birth	Position(s) Held with the Feeder Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Officer	Number of Portfolios in Fund Complex ¹ Overseen by Officer
OFFICERS				
William Woolverton ² January 1951	Chief Compliance Officer	Since 2021	Senior Compliance Advisor, Cipperman Compliance Services LLC (from 2020 to present); Operating Partner, Altamont Capital Partners (2021 to present); Chairman of Independent Trustees, Thomas White Funds (2016 to present); Managing Director and Head of Legal US, Waystone LLC (2016 to 2019).	N/A
Allison Zollicoffer March, 1956	Treasurer	Since 2019	Chief Financial Officer, Hatteras Funds, LP (2018 to present); self-employed as Fractional CFO/Financial Consultant with companies in wholesale distribution, real estate, specialty apparel and light manufacturing (since 2012).	N/A
Brittney L. Chick-Reny February, 1993	Secretary	Since 2019	Director of Operations, Hatteras Investment Partners (2019 to present); Operations Associate (2019).	N/A

¹ The "Fund Complex" consists of, as of March 31, 2022, the Feeder Funds and the Master Fund.

² Mark DeAngelis resigned as Chief Compliance Officer effective May 28, 2021 and William Woolverton was appointed as Chief Compliance Officer effective May 28, 2021.

HATTERAS CORE ALTERNATIVES FUND
(each a Delaware Limited Partnership)

OTHER INFORMATION

(Unaudited)

PROXY VOTING

For free information regarding how the Master Fund voted proxies during the period ended June 30, 2021 or to obtain a free copy of the Master Fund's complete proxy voting policies and procedures, call 1-800-504-9070 or visit the SEC's website at <http://www.sec.gov>.

AVAILABILITY OF QUARTERLY PORTFOLIO SCHEDULES

The Feeder Funds file their complete schedule of portfolio holdings, which includes securities held by the Master Fund, with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Feeder Funds' Form N-PORT is available, without charge and upon request, on the SEC's website at <http://www.sec.gov>.

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

Financial Statements

As of and for the year ended March 31, 2022

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)
As of and for the year ended March 31, 2022

Table of Contents

Schedule of Investments	1
Statement of Assets, Liabilities and Partners' Capital	2
Statement of Operations	3
Statements of Changes in Partners' Capital	4
Statement of Cash Flows	5
Notes to Financial Statements	6-13
Report of Independent Registered Public Accounting Firm	14
Board of Directors (Unaudited)	15
Fund Management (Unaudited)	16
Other Information (Unaudited)	17

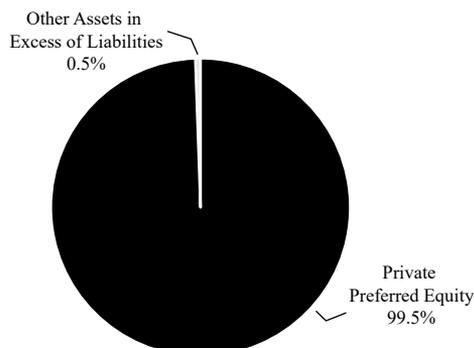
HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS

March 31, 2022

INVESTMENT OBJECTIVE AS A PERCENTAGE OF TOTAL PARTNERS' CAPITAL

Percentages are as follows:



Investments in Private Preferred Equity — (99.47%)	Cost	Fair Value
The Beneficent Company Group, L.P. - Preferred Series B-2 Unit Accounts ^{(a) (b)}	\$ 310,275,620	\$ 315,217,121
Total Investments in Private Preferred Equity	310,275,620	315,217,121
Total Investments — (99.47%)	310,275,620	315,217,121
Other Assets in Excess of Liabilities — (0.53%)		1,683,537
Partners' Capital — (100.00%)		\$ 316,900,658

(a) Private Preferred Equity security has limited resale or redemptions terms.

(b) Investment is categorized as Level 3 per the Fund's fair value hierarchy. As of March 31, 2022, this investment amounted to \$315,217,121 or 99.47% of net assets.

See notes to financial statements.

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

STATEMENT OF ASSETS, LIABILITIES AND PARTNERS' CAPITAL

March 31, 2022

Assets	
Investments at fair value (cost \$310,275,620)	\$ 315,217,121
Cash and cash equivalents	2,552,931
Receivable from redemption of Adviser Funds	109,203
Dividends and interest receivable	8
Prepaid assets	64
Total assets	317,879,327
Liabilities and partners' capital	
Performance allocation payable	158,887
Management fee payable	265,271
Professional fees payable	255,420
Accounting, administration and transfer agency fees payable	131,261
Risk management fees payable	39,860
Custodian fees payable	3,443
Compliance consulting fees payable	10,395
Other payables	111,972
Other accrued expenses	2,160
Total liabilities	978,669
Partners' capital	316,900,658
Total liabilities and partners' capital	\$ 317,879,327

See notes to financial statements.

HATTERAS MASTER FUND, L.P.

(a Delaware Limited Partnership)

STATEMENT OF OPERATIONS*For the year ended March 31, 2022***Investment income**

Distributions from Adviser Funds (net of withholding tax of \$43,062)	\$	834,833
Interest		125,321
Dividends		896,364
Other Income		8,235
Total investment income		1,864,753

Operating expenses

Management fee		3,217,931
Professional fees		416,357
Accounting, administration and transfer agency fees		386,516
Directors expense		389,322
Line of credit fees		344,250
Risk management expense		295,128
Compliance consulting fees		64,638
Printing expense		20,338
Custodian fees		31,615
Interest expense		6,067
Other expenses		12,751

Total operating expenses		5,184,913
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Net investment income/(loss)		(3,320,160)
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Net realized gain/(loss) and change in unrealized appreciation/depreciation on investments in**Adviser Funds, securities and foreign exchange transactions**

Net realized gain/(loss) from investments in Adviser Funds, securities and foreign exchange transactions		11,235,900
Net change in unrealized appreciation/depreciation on investments and foreign exchange translations		23,617,057

Net realized gain/(loss) and change in unrealized appreciation/depreciation on investments in**Adviser Funds, securities and foreign exchange transactions**

		34,852,957
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Net increase/(decrease) in partners' capital resulting from operations	\$	31,532,797
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See notes to financial statements.

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

For the years ended March 31, 2021 and 2022

	General Partner's Capital	Limited Partners' Capital	Total Partners' Capital
Partners' capital, at March 31, 2020	\$ —	\$ 299,317,666	\$ 299,317,666
Capital contributions	—	—	—
Capital withdrawals	(5,616,797)	(70,644,610)	(76,261,407)
Net investment income/(loss)	—	(2,539,762)	(2,539,762)
Net realized gain/(loss) from investments in Adviser Funds, securities and foreign exchange transactions	—	32,111,669	32,111,669
Net change in unrealized appreciation/(depreciation) on investments in Adviser Funds, securities and foreign exchange translations	—	72,916,025	72,916,025
Performance allocation	5,616,797	(5,616,797)	—
Partners' capital, at March 31, 2021	\$ —	\$ 325,544,191	\$ 325,544,191
Capital contributions	—	751,306	751,306
Capital withdrawals	(2,850,484)	(38,077,152)	(40,927,636)
Net investment income/(loss)	—	(3,320,160)	(3,320,160)
Net realized gain/(loss) from investments in Adviser Funds, securities and foreign exchange transactions	—	11,235,900	11,235,900
Net change in unrealized appreciation/(depreciation) on investments and foreign exchange translations	—	23,617,057	23,617,057
Performance allocation	2,850,484	(2,850,484)	—
Partners' capital, at March 31, 2022	\$ —	\$ 316,900,658	\$ 316,900,658

See notes to financial statements.

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

Cash flows from operating activities:

Net increase / (decrease) in partners' capital resulting from operations	\$ 31,532,797
Adjustments to reconcile net increase / (decrease) in partners' capital resulting from operations to net cash provided by operating activities:	
Purchases of Adviser Funds and securities	(38,451,562)
Proceeds from redemptions, sales, or other dispositions of Adviser Funds and securities, net of change in related receivables	89,000,556
Net realized (gain) / loss from investments in Adviser Funds, securities and foreign exchange transactions	(11,235,900)
Net change in unrealized (appreciation) / depreciation on investments and foreign exchange translations	(23,617,057)
(Increase) / Decrease in investment in Adviser Fund purchased in advance	4,501,870
(Increase) / Decrease in distribution receivable from Adviser Funds	1,249,734
(Increase) / Decrease in dividends and interest receivable	(8)
(Increase) / Decrease in prepaid assets	124
Increase / (Decrease) in management fee payable	(5,404)
Increase / (Decrease) in professional fees payable	136,750
Increase / (Decrease) in accounting, administration and transfer agency fees payable	35,931
Increase / (Decrease) in risk management fees payable	(120)
Increase / (Decrease) in printing fees payable	(9,012)
Increase / (Decrease) in line of credit fees payable	(17,000)
Increase / (Decrease) in custodian fees payable	(3,686)
Increase / (Decrease) in compliance consulting fees payable	5,197
Increase / (Decrease) in other accrued expenses	2,087
Net cash provided by operating activities	53,125,297
Cash flows from financing activities:	
Capital contributions	751,306
Capital withdrawals, net of change in withdrawals payable and performance allocation	(62,349,560)
Line of credit borrowings	6,000,000
Line of credit repayments	(6,000,000)
Net cash used in financing activities	(61,598,254)
Net change in cash and cash equivalents	(8,472,957)
Cash and cash equivalents at beginning of year	11,025,888
Cash and cash equivalents at end of year	\$ 2,552,931
Supplemental disclosure of interest expense paid	\$ 6,067
Supplemental disclosure line of credit fees paid	\$ 361,250
Supplemental disclosure of non-cash purchases of investments	\$ 310,275,620
Supplemental disclosure of non-cash proceeds from dispositions of Adviser Funds and securities	\$ 310,275,620

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended March 31, 2022

1. ORGANIZATION

Hatteras Master Fund, L.P. (the “Master Fund”) was organized as a limited partnership under the laws of the State of Delaware on October 29, 2004 and commenced operations on January 1, 2005. The Master Fund is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a closed-end, diversified management investment company. The Master Fund is managed by Hatteras Funds, LP, doing business as Hatteras Investment Partners (the “Investment Manager” or the “General Partner”), a Delaware limited liability company registered as an investment adviser under the Investment Advisers Act of 1940, as amended. The primary objective of the Master Fund is to provide capital appreciation consistent with the return characteristic of the alternative investment portfolios of larger endowments. The Master Fund’s secondary objective is to provide capital appreciation with less volatility than that of the equity markets. To achieve its objectives, the Master Fund provides its limited partners (each, a “Limited Partner” and together, the “Limited Partners”) with access to a broad range of investment strategies, asset categories, and trading advisers (“Advisers”) and by providing overall asset allocation services typically available on a collective basis to larger institutions. The Master Fund invests with each Adviser by becoming a participant in an investment vehicle operated by such Adviser (each an “Adviser Fund”, collectively, the “Adviser Funds”) which includes exchange-traded funds (“ETFs”), hedge funds, and investment funds.

The Master Fund is considered an investment company under the 1940 Act, following the accounting principles generally accepted in the United States of America (“GAAP”) and the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, *Financial Services – Investment Companies* (“ASC 946”).

The Master Fund has an appointed Board of Directors (the “Board”), which has the rights and powers to monitor and oversee the business affairs of the Master Fund, including the complete and exclusive authority to oversee and establish policies regarding the management, conduct and operation of the Master Fund’s business.

At the meeting of the Feeder Funds’ Board held on December 7, 2021, by an unanimous vote, the Board approved a Plan of Liquidation of the Master Fund and the Feeder Funds.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting and reporting policies used in preparing the financial statements.

a. Basis of Accounting

The Master Fund’s accounting and reporting policies conform with GAAP.

b. Cash and Cash Equivalents

Cash and cash equivalents include amounts held in interest bearing demand deposit accounts. Such cash, at times, may exceed federally insured limits. The Master Fund has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on such accounts.

c. Valuation of Investments

The Master Fund’s valuation procedures have been approved by the Board. The valuation procedures are implemented by the Master Fund’s Investment Manager and Portfolio Advisers, LLC (“Portfolio Advisers” or the “Sub-Adviser”) and the Master Fund’s third party administrator, which report to the Board. For third-party information, the Master Fund’s administrator monitors and reviews the methodologies of the various pricing services employed by the Master Fund.

Investments held by the Master Fund include:

- **Investments in Adviser Funds** – Throughout the year, the Master Fund valued interests in the Adviser Funds at fair value, using the net asset value (“NAV”) or pro rata interest in the members’ capital of the Adviser Funds as a practical expedient, as provided by the investment managers of such Adviser Funds. These Adviser Funds value their underlying investments in accordance with policies established by such Adviser Funds, which ordinarily will be the value determined by their respective investment managers. Investments in Adviser Funds are subject to the terms of the Adviser Funds’ offering documents. Valuations of the Adviser Funds may be subject to estimates and

NOTES TO FINANCIAL STATEMENTS (*Continued*)

As of and for the year ended March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Valuation of Investments (continued)

are net of management and performance incentive fees or allocations payable to the Adviser Funds' investment managers as required by the Adviser Funds' offering documents. If the Investment Manager and Sub-Adviser determine that the most recent value reported by any Adviser Fund does not represent fair value or if any Adviser Fund fails to report a value to the Master Fund, a fair value determination is made under the Master Fund's valuation procedures under the general supervision of the Board. While these valuations are intended to estimate the value the Master Fund might reasonably expect to receive upon the current sale of the Adviser Funds in the ordinary course of business, such values may differ from the value that the Master Fund would actually realize if the Adviser Funds were sold.

The interests of some Adviser Funds, primarily investments in private equity funds, may be valued based on the best information available at the time the Master Fund's partners' capital is calculated. The Investment Manager and Sub-Adviser have established procedures for reviewing the effect on the Master Fund's partners' capital due to the timing of the reported value of interests received for certain Adviser Funds. The Master Fund is not able to obtain complete investment holding details of each of the Adviser Funds held within the Master Fund's portfolio in order to determine whether the Master Fund's proportional share of any investments held by the Adviser Funds exceed 5% of the partners' capital of the Master Fund as of September 30, 2021.

- **Investments in Securities** — Securities traded on one or more of the United States ("U.S.") national securities exchanges or the OTC Bulletin Board will be valued at their last sales price. Securities traded on NASDAQ will be valued at the NASDAQ Official Closing Price, at the close of trading on the exchanges or markets where such securities are traded for the business day as of which such value is being determined. Money market funds are valued daily at their net asset value.
- **Investments in Private Preferred Equity** — The Master Fund values interests in Private Preferred Equity Investments at contract value based on the NAV or pro rata interest of Adviser Funds contributed in-kind, or fair value as determined by the Adviser.

The Master Fund classifies its assets and liabilities in accordance with ASC 820 — Fair Value. The Master Fund classifies its assets and liabilities that are reported at fair value into three levels based on the lowest level of input that is significant to the fair value measurement. Estimated values may differ from the values that would have been used if a ready market existed or if the investments were liquidated at the valuation date.

The three-tier hierarchy distinguishes between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs may be used in determining the value of the Master Fund's assets and liabilities. The inputs are summarized in the three broad levels listed below:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets and liabilities that the Master Fund has the ability to access.
- Level 2 — Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement. This includes situations where there is little, if any, market activity for the asset or liability.

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Valuation of Investments (continued)

The following table presents the Master Fund's fair value hierarchy for those assets and liabilities measured at fair value as of March 31, 2022. Assets and liabilities that are valued using NAV as practical expedient, an indicator of fair value, and are listed in a separate column to permit reconciliation to the totals in the Statement of Assets, Liabilities and Partners' Capital.

	Level 1	Level 2	Level 3	Total
Private Preferred Equity	\$ —	\$ —	\$ 315,217,121	\$ 315,217,121
Total	\$ —	\$ —	\$ 315,217,121	\$ 315,217,121

The following reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value on a recurring basis:

Level 3 Investments	Balances as of March 31, 2021	Transfers into/ (out of)	Net Realized Gain/(Loss)	Change in Unrealized Appreciation/ Depreciation	Distributions	Gross Purchases	Gross Sales	Balance as of March 31, 2022
Private Preferred Equity	\$ —	\$ —	\$ —	\$ 4,941,501	\$ —	\$ 310,275,620	\$ —	\$ 315,217,121
Macro	98,980	—	(7,827,192)	7,827,192	—	—	(98,980)	—
Total Level 3 Investments	\$ 98,980	\$ —	\$ (7,827,192)	\$ 12,768,693	\$ —	\$ 310,275,620	\$ (98,980)	\$ 315,217,121

The net realized gain/(loss) and change in unrealized appreciation/depreciation in the table above are reflected in the accompanying Statement of Operations. The change in unrealized appreciation/depreciation from Level 3 investments held at March 31, 2022 is \$4,941,501.

The following is a summary of quantitative information about significant unobservable valuation inputs for Level 3 Fair Value Measurements held as of March 31, 2022:

Type of Level 3 Investment	Fair Value as of March 31, 2022	Unobservable Input	Range	Weighted Average of Unobservable Inputs
Private Preferred Equity	\$ 315,217,121	Transaction price, plus accrued interest	N/A	N/A
Total Level 3 Investments	\$ 315,217,121			

As the inputs noted above increase, the value of investments increase.

The Master Fund's investments reflect their estimated fair value, which for marketable securities would generally be the last sales price on the primary exchange for such security and for Adviser Funds, would generally be the net asset value as provided by the Adviser Fund or its administrator

d. Investment Transactions and Income

Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date, except that certain dividends from private equity investments are recorded as soon as the information is available to the Master Fund. Capital gain distributions received are recorded as capital gains as soon as information is available to the Master Fund. Investments in short-term investments, mutual funds, private companies and exchange traded funds are recorded on a trade date basis. Investments in Adviser Funds are recorded on a subscription effective date basis, which is generally the first day of the calendar month in which the investment is effective. Redemptions in Adviser Funds are recorded on a redemption effective date basis which is generally the last day of the calendar month in which the redemption is effective. Realized gains and

NOTES TO FINANCIAL STATEMENTS (*Continued*)

As of and for the year ended March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

c. Valuation of Investments (concluded)

losses on Adviser Fund and security redemptions are determined on identified cost basis, when available. For Adviser Funds that are not unitized, the cost relieved to calculate realized gains and losses is based on percentage of capital redeemed. Distributions received from Adviser Funds are recorded on the effective date, based on the character determined by the underlying partnership. Return of capital or security distributions received from Adviser Funds and securities are accounted for as a reduction to cost.

e. Foreign Currency

Investments in Adviser Funds, securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Master Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments. Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Master Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

f. Master Fund Expenses

The Master Fund will bear all expenses incurred, on an accrual basis, in the business of the Master Fund, including, but not limited to, the following: all costs and expenses related to portfolio transactions and positions for the Master Fund's account; legal fees; accounting, auditing, and tax preparation fees; custodial fees; fees for data and software providers; costs of insurance; registration expenses; directors' fees; interest expenses and commitment fees on credit facilities; and expenses of meetings of the Board. Risk management expense includes expenses incurred by the Master Fund for third party valuation services, independent due diligence reviews of Adviser Funds, and other analytical and risk mitigation services provided to the portfolio.

g. Income Taxes

The Master Fund is treated as a partnership for federal income tax purposes and therefore is not subject to U.S. Federal income tax. For income tax purposes, the individual partners will be taxed upon their distributive share of each item of the Master Fund's profit and loss.

The Master Fund files tax returns as prescribed by the tax laws of the jurisdiction in which it operates. In the normal course of business, the Master Fund is subject to examination by federal, state, local and foreign jurisdictions, where applicable. For the Master Fund's tax years ended December 31, 2018 through December 31, 2021 the Master Fund is open to examination by major tax jurisdictions under the statute of limitations.

The Master Fund has reviewed any potential tax positions as of March 31, 2022 and has determined that it does not have a liability for any unrecognized tax benefits or expense. The Master Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, the Master Fund did not incur any material interest or penalties. Due to the timing of tax information received from the Adviser Funds, tax basis reporting is not available as of the balance sheet date.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Master Fund to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in partners' capital from operations during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

3. ALLOCATION OF PARTNERS' CAPITAL

Net profits or net losses of the Master Fund for each allocation period ("Allocation Period") will be allocated among and credited to or debited against the capital accounts of the Limited Partners. Allocation Periods begin on the day after the last day of the preceding Allocation Period and end at the close of business on (1) the last day of each month; (2) the last day of each taxable year; (3) the day preceding each day on which interests are purchased; (4) the day on which interests are repurchased; (5) the day preceding the day on which a substituted Limited Partner is admitted to the Master Fund; or (6) the day on which any amount is credited to or debited from the capital account of any Limited Partner other than an amount to be credited to or debited from the capital accounts of all Limited Partners in accordance with their respective investment percentages.

4. REPURCHASE OF LIMITED PARTNERS' INTERESTS

The Board may, from time to time and in its sole discretion, cause the Master Fund to repurchase interests from Limited Partners pursuant to written tenders by Limited Partners at such times and on such terms and conditions as established by the Board. In determining whether the Master Fund should offer to repurchase interests, the Board will consider, among other things, the recommendation of the Investment Manager and Sub-Adviser. The Investment Manager and Sub-Adviser generally recommend to the Board that the Master Fund offer to repurchase interests from Limited Partners on a quarterly basis as of the valuation date at the end of each calendar quarter. In addition, the Board approved one additional forced repurchase during the year ended March 31, 2022 for Limited Partners with capital balances below a specified minimum of \$20,000 and/or dissolving pension plans. The Master Fund will not offer repurchases of interests of more than 20% of its Partners' capital in any quarter. The Master Fund does not intend to distribute to the Limited Partners any of the Master Fund's income, but generally expects to reinvest substantially all income and gains allocable to the Limited Partners. After the Board approval of the Plan of Liquidation at the meeting of the Master Fund's Board held on December 7, 2021, the Master Fund does not expect to make any offer to repurchase interests of Limited Partners prior to its final distribution of any remaining proceeds.

5. MANAGEMENT FEES, PERFORMANCE ALLOCATION, AND RELATED PARTY TRANSACTIONS

The Investment Manager and Sub-Adviser are responsible for providing day-to-day investment management services to the Master Fund, subject to the ultimate supervision of and any policies established by the Board, pursuant to the terms of the sub-advisory agreement among the Master Fund, the Investment Manager and Portfolio Advisors (the "Sub-Advisory Agreement") and the investment management agreement between the Master Fund and the Investment Manager (the "Advisory Agreement"). Under the Sub-Advisory Agreement and the Advisory Agreement (together, the "Investment Management Agreements"), the Investment Manager and Sub-Adviser are responsible for developing, implementing and supervising the Master Fund's investment program. In consideration for the advisory and other services provided by the Investment Manager, the Master Fund pays the Investment Manager a management fee (the "Management Fee") equal to 1.00% on an annualized basis of the aggregate value of its partners' capital determined as of the last day of the month (before giving effect to any repurchase of interests in the Master Fund).

The Master Fund does not pay the Sub-Adviser directly, but rather the Sub-Adviser is entitled to a portion of the Management Fee received by the Investment Manager.

The General Partner is allocated a performance allocation payable annually equal to 10% of the amount by which net new profits of each Limited Partner interests of the Master Fund exceed the non-cumulative "hurdle amount," which is calculated as of the last day of the preceding calendar year of the Master Fund at a rate equal to the yield-to-maturity of the 90-day U.S. Treasury Bill for the last business day of the last calendar year (the "Performance Allocation"). The Performance Allocation is made on a "peak to peak", or "high watermark" basis, which means that no Performance Allocation will be made with respect to such subsequent appreciation until such net loss has been recovered. Pursuant to the Sub-Advisory Agreement, the Sub-Adviser is entitled to a percentage of the Performance Allocation the General Partner receives from the Master Fund. For the year ended March 31, 2022, a Performance Allocation of \$2,850,484 was accrued or earned.

Each member of the Board who is not an "interested person" of the Master Fund ("Independent Director"), as defined by the 1940 Act, receives an annual retainer. The allocation of the retainer to the Master Fund is based on the assets under management of all of the affiliated funds and trusts that the Board oversees. All Board members are reimbursed by the Master Fund for all reasonable out-of-pocket expenses incurred by them in performing their duties.

NOTES TO FINANCIAL STATEMENTS (Continued)

As of and for the year ended March 31, 2022

5. MANAGEMENT FEES, PERFORMANCE ALLOCATION, AND RELATED PARTY TRANSACTIONS (CONCLUDED)

The Master Fund has engaged Cipperman Compliance Services (“Cipperman”) to provide compliance services including the appointment of the Master Fund’s Chief Compliance Officer. Cipperman is paid an annual fee of \$63,000 for services provided. On April 7, 2022 Foreside Financial Group, LLC acquired Cipperman.

6. ACCOUNTING, ADMINISTRATION, AND CUSTODIAL AGREEMENT

In consideration for accounting, administrative, and recordkeeping services, the Master Fund pays U.S. Bancorp Fund Services, LLC, d/b/a U.S. Bank Global Fund Services (“Fund Services”) an administration fee based on the month-end partners’ capital of the Master Fund. Fund Services also provides regulatory administrative services and accounting. UMB Fund Services, Inc. (“UMBFS”) provides transfer agency functions, and shareholder services. For the year ended March 31, 2022, the total accounting, administration and transfer agency fees were \$386,516.

U.S. Bank, N.A. (“USB”) serves as custodian of the Master Fund’s assets and provides custodial services for the Master Fund.

7. INVESTMENT TRANSACTIONS

Total purchases of Adviser Funds and securities for the year ended March 31, 2022 amounted to \$348,727,182 Total proceeds from redemptions, sales, or other dispositions of Adviser Funds and securities for the year ended March 31, 2022 amounted to \$399,274,631. The cost of investments in Adviser Funds for U.S. Federal income tax purposes is adjusted for items of taxable income allocated to the Master Fund from the Adviser Funds. The Master Fund relies upon actual and estimated tax information provided by the Adviser Funds as to the amounts of taxable income allocated to the Master Fund as of March 31, 2022.

The Master Fund invests substantially all of its available capital in Adviser Funds and Private Investments. These investments will generally be restricted securities that are subject to substantial holding periods or are not traded in public markets at all, so that the Master Fund may not be able to resell some of its securities holdings for extended periods.

The Beneficient Company Group, L.P., a Delaware limited partnership, provides private trust solutions, including a unique suite of lending and liquidity products, to owners of alternative assets in need of liquidity. On December 7, 2021, the Hatteras Master Fund, L.P. exchanged interests in the Adviser Funds for Beneficient Preferred Series B-2 Unit Accounts. The transaction was negotiated at the Adviser Funds’ net asset value as of December 31, 2021. The transaction’s Adjusted Closing NAV is expected to be finalized by June 30, 2022. The Beneficient Preferred Series B-2 Unit Accounts will earn 5% per annum prior to converting to cash.

8. CREDIT FACILITY

During the year ended March 31, 2022, the Master Fund maintained a credit facility, consisting of three separate tranches (“Tranche L”, “Tranche S”, and “Tranche U”, collectively the “Facility”), which was secured by certain interests in Adviser Funds, Private Investments, mutual funds, and cash equivalents, that was terminated on February 14, 2022. Collateral for the Facility was held by U.S. Bank N.A. as custodian. The maximum borrowing amount available on the Facility was \$45,000,000, with Tranche L and Tranche S having a maximum borrowing amount available of \$22,500,000 each. A fee of 85 basis points per annum was payable monthly in arrears on the unused portion of the Facility. At March 31, 2022, the Master Fund there was no payables on the unused portion of the Facility and there were no outstanding payables for interest on borrowings. The interest rate charged on the borrowing of Tranche L was the 3-month LIBOR plus a spread of 200 basis points. For the year ended March 31, 2022, there were no borrowings on Tranche L. The interest rate charged on the borrowing of Tranche S was the 3-month LIBOR plus a spread of 200 basis points. For the year ended March 31, 2022, there were no borrowings on Tranche S. The interest rate charged on the borrowing of Tranche U was the 3-month LIBOR plus a spread of 115 basis points. For all tranches, if the calculation of LIBOR results in a LIBOR rate of less than 0.25%, LIBOR was deemed to be 0.25% for calculation purposes. The weighted average interest rate, the average daily balance, and the maximum balance outstanding for borrowing under the Previous Facility and the Facility of Tranche U for the year ended March 31, 2022 was 1.40%, \$427,397, and \$6,000,000, respectively. The date of maximum borrowing was May 6, 2021. As the Facility was terminated during the year, there were no outstanding borrowing or payables as of March 31, 2022.

NOTES TO FINANCIAL STATEMENTS (*Continued*)

As of and for the year ended March 31, 2022

9. INDEMNIFICATION

In the normal course of business, the Master Fund enters into contracts that provide general indemnifications. The Master Fund's maximum exposure under these agreements is dependent on future claims that may be made against the Master Fund, and therefore cannot be established; however, based on experience, the risk of loss from such claims is considered remote.

10. RISK FACTORS

An investment in the Master Fund involves significant risks, including leverage risk, interest rate risk, liquidity risk and economic conditions risk, that should be carefully considered prior to investing and should only be considered by persons financially able to maintain their investment and who can afford a loss of a substantial part or all of such investment. The recent global outbreak of COVID-19 has disrupted economic markets and the prolonged economic impact is uncertain. The operational and financial performance of the issuers of securities in which the Master Fund invests depends on future developments, including the duration and spread of the outbreak, and such uncertainty may in turn impact the value of the Master Fund's investments. The Master Fund generally does not employ leverage. However, certain Adviser Funds may employ leverage, either synthetically or through borrowed funds, which can enhance returns or increase losses on smaller changes in the value of an underlying investment. Adviser Funds that invest in fixed income securities may be subject to interest rate risk, where changes in interest rates affect the value of the underlying fixed income investment. The Master Fund intends to invest substantially all of its available capital in securities of private investment companies. These investments will generally be restricted securities that are subject to substantial holding periods or are not traded in public markets at all, so that the Master Fund may not be able to resell some of its securities holdings for extended periods, which may be several years. Investments in the Adviser Funds may be restricted from early redemptions or subject to fees for early redemptions as part of contractual obligations agreed to by the Investment Manager on behalf of the Master Fund. Adviser Funds may have initial lock-up periods, the ability to suspend redemptions, or employ the use of side pockets, all of which may affect the Master Fund's liquidity in the respective Adviser Fund.

Adviser Funds generally require the Master Fund to provide advanced notice of its intent to redeem the Master Fund's total or partial interest and may delay or deny a redemption request depending on the Adviser Funds' governing agreements. Interests in the Master Fund provide limited liquidity since Limited Partners will not be able to redeem interests on a daily basis because the Master Fund is a closed-end fund. Therefore, investment in the Master Fund is suitable only for investors who can bear the risks associated with the limited liquidity of interests and should be viewed as a long-term investment. No guarantee or representation is made that the investment objective will be met.

The Master Fund's investments may be made in a number of different currencies. Any returns on, and the value of, such investments may therefore be materially affected by exchange rate fluctuations, local exchange control, limited liquidity of the relevant foreign exchange markets, the convertibility of the currencies in question and/or other factors. A decline in the value of the currencies in which the Master Fund's investments are denominated against the U.S. dollar may result in a decrease in value of the Master Fund's partners' capital.

11. FINANCIAL HIGHLIGHTS

The financial highlights are intended to help an investor understand the Master Fund's financial performance. The total returns in the table represent the rate that a typical Limited Partner would be expected to have earned or lost on an investment in the Master Fund.

The ratios and total return amounts are calculated based on the Limited Partner group taken as a whole. An individual Limited Partner's results may vary from those shown below due to the timing of capital transactions and Performance Allocation.

The ratios are calculated by dividing total dollars of net investment income or expenses, as applicable, by the average of total monthly Limited Partners' capital.

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS (Concluded)

As of and for the year ended March 31, 2022

11. FINANCIAL HIGHLIGHTS (CONCLUDED)

Total return amounts are calculated by geometrically linking returns based on the change in value during each accounting period.

	For the Years Ended March 31,				
	2022	2021	2020	2019	2018
Total return before Performance Allocation	10.51%	39.09%	(9.73)%	10.41%	7.69%
Total return after Performance Allocation	9.61%	37.26%	(9.74)%	9.72%	7.51%
Partners' capital, end of year (000's)	\$ 316,901	\$ 325,544	\$ 299,318	\$ 419,786	\$ 482,268
Portfolio turnover rate	108.49%	3.66%	7.96%	9.62%	18.90%
Ratio of net investment income/(loss), excluding Performance Allocation	(1.04)%	(0.83)%	(0.53)%	(0.64)%	(0.79)%
Ratio of other operating expenses to average partners' capital, excluding credit facility fees, interest expense, and Performance Allocation	1.52%	1.55%	1.43%	1.36%	1.36%
Ratio of credit facility fees and interest expense to average partners' capital	0.11%	0.10%	0.07%	0.05%	0.08%
Operating expenses, excluding Performance Allocation	1.63%	1.65%	1.50%	1.41%	1.44%
Performance Allocation	0.90%	1.83%	0.01%	0.69%	0.18%
Total operating expenses and Performance Allocation	2.53%	3.48%	1.51%	2.10%	1.62%

12. SUBSEQUENT EVENTS

Management has evaluated the events and transactions through the date the financial statements were issued and determined there were no other subsequent events that required adjustment to our disclosure in the financial statements.

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Partners of Hatteras Master Fund, L.P.

Opinion on the Financial Statements

We have audited the accompanying statement of assets, liabilities and partners' capital, including the schedule of investments, of Hatteras Master Fund, L.P. (the "Master Fund") as of March 31, 2022, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the related notes, and the financial highlights for each of the five years in the period then ended (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Master Fund as of March 31, 2022, the results of its operations and its cash flows for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Master Fund's management. Our responsibility is to express an opinion on the Master Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Master Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2022, by correspondence with the custodian and counterparty. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the auditor for one or more funds advised by Hatteras Investment Partners since 2013.

COHEN & COMPANY, LTD.
Cleveland, Ohio
May 31, 2022

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

BOARD OF DIRECTORS

(Unaudited)

The identity of the Board members (each a “Director”) and brief biographical information is set forth below. The business address of each Director is care of Hatteras Investment Partners, 8510 Colonnade Center Drive, Suite 150, Raleigh, NC 27615. The term of office of each Director is from the time of such Director’s election and qualification until his or her successor shall have been elected and shall have qualified, or until he or she is removed, resigns or is subject to various disabling events such as death or incapacity. A Director may resign upon 90 days’ prior written notice to the Board and may be removed either by a vote of a majority of the Board not subject to the removal vote or of Limited Partners holding not less than two-thirds of the total number of votes eligible to be cast by all of the Limited Partners.

Name & Date of Birth	Position(s) Held with the Feeder Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Director	Number of Portfolios in Fund Complex ¹ Overseen by Director
INTERESTED DIRECTOR				
David B. Perkins ² July, 1962	President and Chairman of the Board of Directors	Since Inception	President and Trustee, each fund in the Fund Complex (2004 to present); Chief Executive Officer of Hatteras Investment Partners, LP (2014 to present); Co-Founder of Hatteras Investment Partners LLC and its affiliated entities (“Hatteras Funds”) in 2003.	5
INDEPENDENT DIRECTORS				
H. Alexander Holmes May, 1942	Director; Audit Committee Member	Since Inception	Founder, Holmes Advisory Services, LLC, a financial consultation firm (1993 to present).	5
Steve E. Moss, CPA February, 1953	Director; Audit Committee Member	Since Inception	Principal, Holden, Moss, Knott, Clark & Copley, PA, accountants and business consultants (1996 to present).	5
Gregory S. Sellers May, 1959	Director; Audit Committee Member	Since Inception	Chief Financial Officer, Chief Operating Officer, Spectrum Consultants, Inc., a sales marketing firm in the prior housing industry (2015 to present); Chief Financial Officer, Imagemark Business Services, Inc., a provider of marketing and print communications solutions (2009 to present).	5
Thomas Mann February, 1950	Director; Audit Committee Member	Since 2013	Private Investor (2012 to present).	5

¹ The “Fund Complex” consists of, as of March 31, 2022, the Feeder Funds and the Master Fund.

² Deemed to be an “interested” Director of the Master Fund because of his affiliations with Hatteras Investment Partners.

HATTERAS MASTER FUND, L.P.
(a Delaware Limited Partnership)

FUND MANAGEMENT

(Unaudited)

Set forth below is the name, date of birth, position with the Master Fund, length of term of office, and the principal occupation for the last five years of each of the persons currently serving as Executive Officers of the Master Fund. The business address of each officer is care of Hatteras Investment Partners, 8510 Colonnade Center Drive, Suite 150, Raleigh, NC 27615.

Name & Date of Birth	Position(s) Held with the Feeder Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Officer	Number of Portfolios in Fund Complex ¹ Overseen by Officer
OFFICERS				
William Woolverton ² January 1951	Chief Compliance Officer	Since 2021	Senior Compliance Advisor, Cipperman Compliance Services LLC (from 2020 to present); Operating Partner, Altamont Capital Partners (2021 to present); Chairman of Independent Trustees, Thomas White Funds (2016 to present); Managing Director and Head of Legal US, Waystone LLC (2016 to 2019).	N/A
Allison Zollicoffer March, 1956	Treasurer	Since 2019	Chief Financial Officer, Hatteras Investment Partners (2018 to present); self-employed as Fractional CFO/ Financial Consultant with companies in wholesale distribution, real estate, specialty apparel and light manufacturing (since 2012).	N/A
Brittney L. Chick-Reny February, 1993	Secretary	Since 2019	Director of Operations, Hatteras Investment Partners (2019 to present); Operations Associate (2019).	N/A

¹ The "Fund Complex" consists of, as of March 31, 2022, the Feeder Funds and the Master Fund.

² Mark DeAngelis resigned as Chief Compliance Officer effective May 28, 2021 and William Woolverton was appointed Chief Compliance Officer effective May 28, 2021.

OTHER INFORMATION

(Unaudited)

PROXY VOTING

A description of the policies and procedures that the Master Fund uses to determine how to vote proxies relating to portfolio securities and the Master Fund's record of actual proxy votes cast during the period ended June 30, 2021 is available at <http://www.sec.gov> and by calling 1-800-504-9070 and may be obtained at no additional charge.

AVAILABILITY OF QUARTERLY PORTFOLIO SCHEDULES

The Master Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Master Fund's Form N-PORT is available, without charge and upon request, on the SEC's website at <http://www.sec.gov>.

APPROVAL INVESTMENT ADVISORY AGREEMENT AND SUB-ADVISORY AGREEMENT

At a meeting of the Master Fund's Board held on March 22, 2022, by a unanimous vote, the Board, including a majority of the Directors who are not "interested persons" within the meaning of Section 2(a)(19) of the 1940 Act, approved the Investment Advisory Agreement and Sub-Advisory Agreement for the Master Fund.

The Independent Directors evaluated the Agreements in light of information they had requested and received from the Adviser and Portfolio Advisors prior to the meeting. The Directors reviewed these materials with management of the Adviser and legal counsel to the Independent Directors. The Independent Directors considered whether the Agreements would be in the best interests of the Funds and their shareholders and the overall fairness of the Agreements. Among other things, the Independent Directors reviewed information concerning: (1) the nature, extent and quality of services to be provided by each of Hatteras and Portfolio Advisors to the Master Fund; (2) the performance of the Master Fund; (3) the Master Fund's advisory and sub-advisory fee, overall Master Fund expenses, and the profits realized by Hatteras and its affiliates from its relationship with the Master Fund; (4) the extent to which economies of scale will be realized as the Master Fund grows and the extent to which fee levels reflect such economies of scale, if any, for the benefit of the Master Fund's partners; (5) the ancillary benefits and other factors. In their deliberations, the Independent Directors did not rank the importance of any particular piece of information or factor considered, and it is presumed that each Independent Director attributed different weights to the various factors.

The Independent Directors reviewed, and discussed with Hatteras, comparative performance, advisory fee and overall Fund expense information for the Master Fund versus other similar closed-end hedge fund of funds. Management stated that there were few truly comparative funds. Hatteras discussed with the Independent Directors the construction of the comparative fund group. The Independent Directors also compared the Funds' advisory fee and overall Fund expenses versus a universe of comparable closed-end fund of hedge funds, as compiled by Hatteras. Discussion ensued regarding the fee and expense comparisons. The Independent Directors also discussed with Hatteras the previously approved plan of liquidation of the Funds, as approved at the Board Meeting on December 7, 2021, and discussed the Adviser's expected timeline for the plan of liquidation.

Nature, Extent and Quality of Services Provided to the Master Fund.

The Independent Directors considered information it believed necessary to assess the nature and quality of services to be provided to the Master Fund by Hatteras and Portfolio Advisors. The Independent Directors noted Hatteras will continue to serve in its role as investment adviser to the Master Fund, and that the Master Fund's current portfolio managers will continue to provide services to the Master Fund. The Independent Directors considered the advisory services and other services to be provided by Hatteras, as well as the services to be provided by Portfolio Advisors as sub-adviser, noting that such services are not expected to change. The Independent Directors noted management's explanation about how fees and services were allocated and delegated between Hatteras and Portfolio Advisors. The Independent Directors noted the improved performance and positive 5-year and 10-year performance numbers.

OTHER INFORMATION *(Continued)*

(Unaudited)

Investment Performance of the Master Fund.

The Independent Directors considered the investment performance of the Master Fund. The Independent Directors reviewed the Master Fund's performance against certain peers, noting that it appeared that past changes appear to be continuing to improve performance. The Independent Directors asked several questions about the Master Fund's performance against certain peers and whether the peer group was properly representative. Mr. Perkins stated that the Adviser believed that the peer group is the most representative possible and noted the peer group includes one additional comparison than the prior year. The Independent Directors also considered the Master Fund's performance versus two benchmark indices identified by Hatteras. Management also noted that some of the peer performance, especially for privates, lagged a quarter, but more current data was more favorable.

Costs of Services Provided and Profits Realized by Hatteras.

In connection with the Independent Directors' consideration of the level of the advisory services, the Independent Directors considered a number of factors. The Independent Directors noted that Hatteras is not requesting a change to the advisory fee rate or performance allocation rate to be paid under the Advisory Agreement. Based on current Fund asset levels, management indicated that Hatteras earned a small profit margin providing services to the Master Fund. The Independent Directors noted the differing services and responsibilities provided by Hatteras and Portfolio Advisors. The Independent Directors considered the relative profitability of Hatteras. Mr. Zollicoffer described expenses related to marketing and the Independent Directors discussed and considered the impacts this could have on the Funds. Based on the information provided, the Independent Directors determined that, based on the information provided, Hatteras did not earn excessive profits.

The Independent Directors' analysis of the Master Fund's advisory fee and overall expenses included a discussion of the Master Fund's fees. The Independent Directors also considered the fee and expense information provided by the Adviser, including the Adviser's representations that fees and expenses were reasonable in light of the services rendered and were within the range of fees and expenses charged to similar-managed accounts and funds. In connection with the Independent Directors' consideration of the level of the advisory fees, the Independent Directors considered a number of factors and determined that the fees and expenses were not unreasonable.

Economies of Scale and Fee Levels Reflecting Those Economies.

The Independent Directors considered the extent to which economies of scale were expected to be realized relative to fee levels as the Master Fund's assets grow, and whether the advisory fee levels reflect these economies of scale for the benefit of the Master Fund. After discussions of the Independent Directors concerning Hatteras' expected profitability and growth in assets for the Master Fund, the Independent Directors noted that it will address the issue if Master Fund assets grow.

Other Benefits.

In addition to the above factors, the Independent Directors also discussed other benefits received by Hatteras from its management of the Master Fund, including ancillary benefits that could accrue to Hatteras. The Independent Directors noted that Hatteras receives a fund servicing fee for its services as servicing agent to the Master Fund under a fund servicing agreement. It was noted that Hatteras may waive (to all investors on a pro rata basis) or pay to third parties all or a portion of the fund servicing fee in its sole discretion. The Board also noted that Hatteras Capital Distributors, LLC receives service fees from Hatteras and sales charges (which may be subject to waivers or reductions) with respect to the Master Fund. It was further discussed that the full amount of the sales charges may also be subject to waivers or reductions and may be re-allowed by Hatteras Capital Distributors, LLC to third parties. The Board asked several questions and received responses from Management about how internal expenses were allocated for total profitability and to determine the fund servicing fees. The Independent Directors also reviewed the fund servicing fees against a peer group of fund servicing fees provided by Management.

HATTERAS MASTER FUND, L.P.

(a Delaware Limited Partnership)

OTHER INFORMATION *(Continued)*

(Unaudited)

After further discussion, upon motion duly made and seconded, the Board of the Master Fund, including a majority of Independent Directors voting separately, unanimously adopted the following resolutions:

WHEREAS, the terms of the Investment Advisory Agreement (the “Advisory Agreement”) between Hatteras Funds, LP (the “Adviser”) and the Master Fund, are found to be fair and reasonable;

WHEREAS, the terms of the Investment Sub-Advisory Agreement (the “Sub-Advisory Agreement”) among the Adviser, Portfolio Advisors and the Master Fund, are found to be fair and reasonable;

NOW, THEREFORE, BE IT RESOLVED, that the Advisory Agreement with respect to the Funds is approved by a majority of the Directors, including a majority of the Directors who are not interested persons of the Funds or the Adviser (as defined in the Investment Company Act of 1940, as amended) for an additional year; and be it further

RESOLVED, that the Sub-Advisory Agreement with respect to the Funds is approved by a majority of the Directors, including a majority of the Directors who are not interested persons of the Funds or the Adviser (as defined in the Investment Company Act of 1940, as amended) for an additional year.

HATTERAS CORE ALTERNATIVES FUNDS

8510 Colonnade Center Drive, Suite 150
Raleigh, NC 27615

INVESTMENT MANAGER AND FUND SERVICING AGENT

Hatteras Funds, LP
d/b/a Hatteras Investment Partners
8510 Colonnade Center Drive, Suite 150
Raleigh, NC 27615

SUB-ADVISER

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