

## **AIP ALTERNATIVE STRATEGIES FUNDS**

Alpha Hedged Strategies Fund  
Beta Hedged Strategies Fund  
(the “Funds”)

No Load Shares  
Class C Shares

Supplement dated September 15, 2009  
to the Prospectus dated April 30, 2009, as supplemented

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Effective September 15, 2009, Hatteras Capital Investment Management, LLC has purchased 55% of the membership interests of the Funds’ investment advisor, Alternative Investment Partners, LLC. Consequently, the following information has changed in the Funds’ Prospectus.

### *Investment Advisor*

Effective immediately the Advisor has changed its name to Hatteras Alternative Mutual Funds, LLC, and all references to Alternative Investment Partners, LLC in the Prospectus are changed to Hatteras Alternative Mutual Funds, LLC. In addition, the first two sentences of the first paragraph under the section entitled “Investment Advisor” beginning on page 29 of each Prospectus are deleted and replaced with the following:

Hatteras Alternative Mutual Funds, LLC, 8540 Colonnade Center Drive, Suite 401, Raleigh, NC 27615 (the “Advisor”), is registered as an investment advisor with the Securities and Exchange Commission under the 1940 Act. The Advisor is owned jointly by Hatteras Capital Investment Management, LLC, Asset Alliance (NY) Management Inc., (“Asset Alliance”), Asset Alliance Holding Corp., Lee W. Schultheis, Trust Advisory Group, Inc., Mark R. Tonucci and Michael E. Portnoy.

In addition, Trust Advisors LLC no longer serves as Portfolio Research Consultant to the Funds. The Advisor does not anticipate entering into a new Portfolio Research Consultant Agreement, but will provide the services previously provided by Trust Advisors LLC directly to the Funds and the Underlying Funds. Therefore, all references to Trust Advisors LLC or the Portfolio Research Consultant are deleted from each Prospectus.

Effective immediately, two additional portfolio managers have been added to the Funds’ portfolio management team of Lee W. Schultheis, Mark R. Tonucci and Michael E. Portnoy. As a result, the following is added to the section “Portfolio Managers” beginning on page 41 of the No Load Shares Prospectus and page 40 of the Class C Shares Prospectus:

Michael P. Hennen, CFA

Mr. Hennen serves as a voting member of the Investment Committee for the Funds and is responsible for the oversight of the investment process and sub-advisor due diligence and selection. Prior to joining Hatteras, Mr. Hennen was a Vice President at Morgan Stanley in the Graystone Research Group, an alternative investments advisory group within Morgan Stanley, where he was on the Investment Committee and led the sourcing, evaluation, execution, and monitoring of alternative investments across a variety of strategies. Before joining Morgan Stanley, Mr. Hennen was an Analyst at Morningstar in Chicago. Mr. Hennen received his Bachelor of Business Administration degree in Finance from Western Michigan University. Mr. Hennen has also earned his designation as a Chartered Financial Analyst (CFA).

Robert Murphy, CFA, FRM, CAIA<sup>SM</sup>

Mr. Murphy serves as a voting member of the Investment Committee for the Funds and is responsible for the development of internal risk management. Mr. Murphy was previously with Ivy Asset Management Corp. LLC (“Ivy”), a division of BNY Mellon Asset Management, where he served as a Managing Director in the Investment Strategies and Investment Products and Strategies groups. At Ivy, Mr. Murphy was responsible for investment research and assisted with product development and portfolio management. Prior to joining Ivy in 2008, Murphy was a Partner and Director of Risk Management at Meridian Capital Partners, where he worked in various senior capacities since 2001. Previously, Murphy held senior fixed income investment banking positions with A.G. Edwards, Cowen & Company, Donaldson, Lufkin & Jenrette, and Bear Stearns & Co., Inc. Mr. Murphy received Bachelor of Arts and Masters in Business Administration degrees from the State University of New York at Albany. He earned his designation as a Chartered Financial Analyst (CFA) and has also earned designations as a Financial Risk Manager (FRM) and Chartered Alternative Investment Analyst (CAIA).

### *The Underlying Funds*

Effective immediately, the following Underlying Funds have changed their names and principle investment strategies:

<b>Previous Portfolio Name</b>	<b>New Portfolio Name</b>	<b>Strategy Description</b>
The Distressed/Hedged Income Portfolio	Relative Value	This strategy is designed to take advantage of perceived discrepancies in the market prices of certain convertible bond, common stock, fixed income and derivative

		securities. This strategy attempts to achieve current income, capital preservation and capital appreciation.
The Distressed Securities & Special Situations - 1 Portfolio	Event Driven	This strategy is designed to invest in securities whose prices are or will be impacted by a corporate event. This strategy attempts to achieve capital appreciation.
The Long/Short Equity Hedge Portfolio	Long/Short Equity	This strategy employs long and short trading in common stock, preferred stock and convertible securities of U.S. and foreign issuers. This strategy attempts to achieve capital appreciation.
The Long/Short Equity Market Neutral Portfolio	Market Neutral Equity	This strategy is designed to exploit equity market inefficiencies, which involves being simultaneously invested in long and short matched equity portfolios generally of the same size, usually in the same market. This strategy attempts to achieve capital appreciation.

The Long/Short Equity – REIT Portfolio was liquidated on June 25, 2009, and the Long/Short Equity – Earnings Revision Portfolio was liquidated on September 2, 2009. Effective on or before January 1, 2010, the following Underlying Funds will be liquidated and will no longer be available for investment by the Funds:

Arbitrage-1 Portfolio
Income Arbitrage Portfolio
Global Hedged Income-1 Portfolio
Long/Short Equity – International-1 Portfolio
Event Driven and Risk Arbitrage Portfolio
Long/Short Equity – Growth -1 Portfolio
Energy and Natural Resources Portfolio

*Distributors*

Effective immediately, Quasar Distributors, LLC and Hatteras Capital Distributors, LLC, will each serve as a distributor of the Funds.

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