

Investment Objective

FARIS SGD Hedged will invest all, or substantially all its assets in Fullerton Absolute Returns Investment Strategies Master Fund ("underlying fund"), whose investment objective is to achieve consistent long-term capital appreciation in the value of its assets by diversifying them across a group of hedge funds.

Performance Statistics

Return for the month	-0.05 %	NAV per Share	S\$ 90.5178
2012 YTD Return	-0.46 %	Fund Size (Master Fund)	US\$ 72.15 m
Cumulative Return	-9.48 %		

Note: Returns are computed net of management and performance fees. Past performance is not necessarily indicative of future performance.
Other class shares may vary.

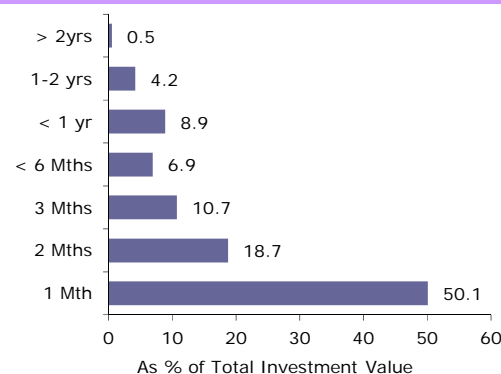
Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008			-2.77	1.46	0.37	-1.54	-1.36	-1.98	-4.37	-4.53	0.10	0.69	-13.26
2009	0.97	-0.73	0.57	0.86	1.30	0.05	1.08	-0.15	1.31	-0.43	0.49	0.29	5.73
2010	-0.71	-0.05	1.14	1.00	-1.73	-0.08	-0.10	-0.07	2.42	0.61	-0.44	1.33	3.31
2011	0.69	-0.34	0.37	1.28	-0.83	-0.88	0.95	-1.58	-3.17	1.24	-1.09	-0.64	-4.01
2012	1.32	1.70	-0.64	-0.58	-1.42	-0.75	-0.05						-0.46

Ref: FARISSGD/Jul2012

Performance Attribution^

Strategy	No. of Managers	Return (%)
Equity Long/Short	5	-0.35
Long Only	2	-0.04
Macro	4	-0.24
Managed Futures	2	0.32
Credit Long Biased	4	0.14
Credit Long/Short	2	0.13
Distressed Securities	1	0.00
Equity Market Neutral	3	0.10
Fixed Income Arbitrage	2	0.17
Multi-Strategy	3	-0.07
Gross Returns Before Fee	-	0.15
Fees and Others	-	-0.20
Net Return	-	-0.05

Liquidity Profile of Underlying Funds

Top 3 Holdings

Fund Name	As % of Portfolio
Golden China	6.72
Tahan Asia Special Opp B	5.96
Prologue Feeder A	5.73

Manager Allocation

	Number of Managers	As % of Portfolio
> 5%	8	49
3 - 5%	6	26
1 - 3%	9	23
0 - 1%	5	2

Market Review

Global stock markets maintained their upward momentum in July on the back of further efforts by Eurozone leaders to contain the debt crisis. Weak economic data in Europe, the US and China fuelled hopes that the major central banks would step in with additional forms of monetary support.

The MSCI Asia ex-Japan index was up 2.22% in July. Performance among Asian markets was mixed with performance in the range of -5.47% to +5.49%. Singapore outperformed the region but China and India lagged on growth concerns. By sector, telecoms outperformed by a wide margin.

Economic activity slowed across the region. Korea grew by a slower-than-expected 0.4%qoq in 2Q 2012, while Singapore's economy contracted by -1.1%qoq. Meanwhile, China's PMI inched down to 50.1 in June from 50.2, and India's PMI fell to 52.9

in July from 55 previously. However, price pressures have been softening in parts of Asia. June inflation in China, Malaysia, Thailand and the Philippines came in below the official targets for the year. Inflation also eased in India, with a CPI rise of 10%yoy recorded in June. Weak growth coupled with slowing inflation has given central banks in the region more leeway to cut interest rates. China lowered its one-year benchmark deposit and lending rates, India cut the minimum requirement for banks' government bond holdings and Korea unexpectedly cut interest rates.

Elsewhere, the Japanese equity markets were all lower. The Mother indices, TPX and TSE2 were down by 9.59%, 4.39% and 3.02% respectively. In the FX market, the USD was mixed against the major currencies. The USD was up 2.90% against the EUR and down 2.09% against the JPY. Commodities were up 5.39% as the oil price recovered.

Fund Details:
Manager

Fullerton Fund Management Company Ltd, a company incorporated in Singapore

Trustee

HSBC Institutional Trust Services (Singapore) Limited, a company incorporated in Singapore

Manager & Trustee Regulated by

Monetary Authority of Singapore
10 Shenton Way #25-00 MAS Building
Singapore 079117

Legal Structure

FARIS SGD Hedged is a sub-fund of Fullerton Funds S2, a unit trust constituted in Singapore as an umbrella fund and authorised by the Monetary Authority of Singapore as a restricted authorised scheme under paragraph 2 of the Sixth Schedule of the Securities and Futures (offers of investment) (Collective Investment Schemes) Regulations 2005.

Subscription Amount

Initial (Min) S\$100,000
Subsequent S\$50,000

Dealing Day

Last business day of each month

Subscription Notice Period

5 business days prior to dealing day

Redemption Notice Period

40 calendar days prior to dealing day

Subscription Charge

Up to 5%

Management Fee

1.75% per annum

Performance Fee

10%

Hurdle Rate

3-month SIBOR + 0.5%

Performance Period

Annual ending 31 December

High Watermark

Yes

Inception Date

29 February 2008

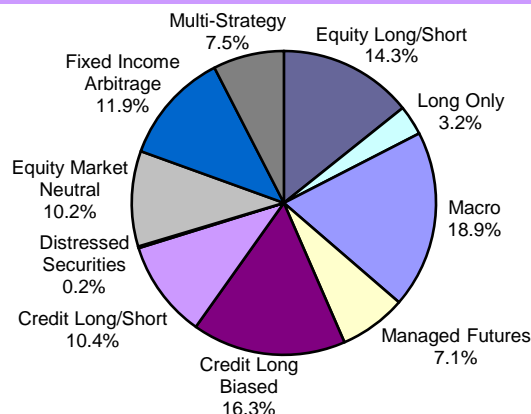
Bloomberg Ticker / ISIN

FULFASH SP / SG9999005474

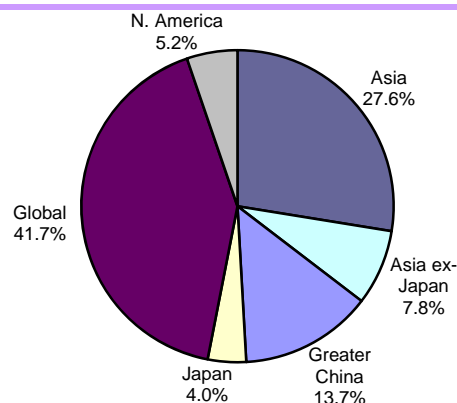
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Strategy Allocation



Country Allocation*



* Above allocation represents the underlying funds' investment universe

Performance Review

Multi-Strategy – The Asia arbitrage-focused manager posted losses from his event positions. The Global manager's gains from short term directional strategies were offset by losses from the statistical arbitrage strategy.

Macro – Managers had difficulty navigating the intra-month oscillation in the markets, which was driven primarily by policy rhetoric. Managers were either caught out by bullish positions early in the month, or by bearish positions in the later part of the month. Risk taking was generally lower in July compared to June.

Distressed Securities – The portfolio still has a 0.2% residual exposure to an underlying manager whose positions comprise unlisted equities and loans. For the month of July, valuations of these positions were revalued higher.

Long Only – Both the Japan and Asia ex-Japan equity managers generated small losses as their positions did not benefit greatly from the month-end rally in equities.

Equity Long/Short – Managers in this category ended the month negative. Most of the losses came from China-focused managers.

Managed Futures – Both medium term managers had a good month with gains from bonds, interest rates and crops.

Fixed Income Arbitrage – Gains were made across long duration trades in the US and Europe, long USD against EUR, and the retracement of long-dated interest rate volatility after the sharp correction seen in the previous month.

Equity Market Neutral – With the exception of the Japan manager, most managers had a good month as their fundamental factors worked in their favor.

Fixed Income Credit – Managers ended the month flat to higher with notable performance from MBS-dedicated managers.

Outlook and Strategy

Volumes remain thin with a lack of follow-through conviction from market participants. Clarity of market direction likely to come as 4Q draws closer. In the meantime, strategies that deliver yield or carry remain our preferred choice.

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- (iii) to an accredited investor or a person within the meaning of "relevant person" defined in Section 305 of the SFA, and in accordance with the conditions specified in that section; or
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