

A banner with a dark blue background and a pattern of green and white lines forming a grid and curved shapes. The text "Global Distressed Fund" is centered in white.

Global Distressed Fund

Prospectus

August 09, 2010

GLOBAL DISTRESSED FUND

(An exempt open-ended investment fund registered under the laws
of the Kingdom of Bahrain)

Prospectus

**Offering of Units constituted by
an Instrument issued by**

GLOBAL DISTRESSED FUND COMPANY B.S.C. (CLOSED)

(A closed joint-stock company incorporated under the laws of the Kingdom of Bahrain)

OF 1,000,000 UNITS AT

US\$100 PER UNIT

(During Initial Placing, exclusive of any Initial Charge)

FUND MANAGER

Global Investment House (K.S.C.C.)

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PREFACE

A PROSPECTIVE INVESTOR SHOULD NOT TREAT THE CONTENTS OF THIS PROSPECTUS AS INVESTMENT, TAX OR LEGAL ADVICE. ALL PROSPECTIVE INVESTORS MUST MAKE THEIR OWN INVESTIGATION AND EVALUATION OF THE OPPORTUNITY TO INVEST IN THE GLOBAL DISTRESSED FUND AND SHOULD CONSULT WITH THEIR OWN ADVISORS CONCERNING THE EVALUATION OF THE RISKS OF THE INVESTMENT AND ITS SUITABILITY FOR THEIR INDIVIDUAL FINANCIAL AND TAX CIRCUMSTANCES AND RISK PREFERENCES.

This Prospectus is being provided by Global Investment House (K.S.C.C.) on a confidential basis to selected prospective investors (each of whom is an “Accredited Investor” as defined herein) for the purpose of evaluation of an investment opportunity in the Global Distressed Fund, to be constituted by an Instrument dated August 17, 2002, issued by Global Distressed Fund Company B.S.C. (Closed).

Accredited Investor means; Individuals, Families (joint net worth), Corporations (companies, partnerships, trusts or other commercial establishments) and Governmental Organisations whose main function is financial investments, holding financial assets worth US\$ 1,000,000 (US dollars one million) and above.

The Fund is registered by the Central Bank of Bahrain (CBB) as an “Exempt Collective Investment Undertaking (CIU) in accordance with the provisions of chapter 3 (Bahrain Domiciled Exempt CIUs) of the Collective Investment Undertakings Module, Volume 6 of the Central Bank of Bahrain Rulebook.

The prospective investor should take notice that The Fund is an “Exempt Scheme” registered by the Central Bank of Bahrain (the “CBB”) as an Collective Investment undertaking (CIU) under Collective Investment Undertakings Module, Volume 6 of the Central Bank of Bahrain Rulebook, and is subject to only high level disclosure and reporting requirements by the Central Bank of Bahrain (the “CBB”). In giving these authorisations the CBB does not vouch for the financial soundness of the scheme nor for the correctness of any of the statements made or opinions expressed with regard to them. Furthermore, neither the CBB nor the Ministry of Industry & Commerce in the Kingdom of Bahrain will bear any responsibility to any Unit Holder for any loss resulting from reliance on any information contained in this Prospectus.

An Exempt scheme is not subject to restrictions on investments or asset classes in which it may invest, it is also not subject to concentration limits or limitation on leverage. Accordingly, an Exempt Scheme is subject to higher risk factors.

The Directors of the Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The distribution of this prospectus and the offering of the units described herein may be restricted in certain jurisdictions and accordingly, persons into whose possession this prospectus may come must inform themselves about and observe any such restrictions. This prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation by any person in any jurisdiction and may not be used for the purposes of, an offer or solicitation by any person in any jurisdiction:

- i) in which such offer or solicitation is not authorized; or
- ii) in which the person making such offer or solicitation is not qualified to do so; or
- iii) to any person to whom it is unlawful to make such offer or solicitation
- iv) That result in the Fund's Company or the Fund incurring any liability which the Fund's Company or the Fund would not otherwise have incurred or suffered.

This Prospectus will be the Prospectus of the Global Distressed Fund throughout the life of the same, however neither delivery of this Prospectus nor anything contained in it should be taken to imply that any information herein contained is correct at any time subsequent to the date hereof.

This Prospectus is based on the law and practice currently in force in the Kingdom of Bahrain and is subject to the changes therein.

Persons interested in acquiring Units should inform themselves as to: -

The legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such acquisition;

Any foreign exchange restrictions or exchange control requirements which they might encounter on acquisition or disposal of Units; and

The income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Units.

Investment in the Fund involves a degree of risk. The investor's financial condition must be such that he is capable of losing his entire investment in the Fund without there being a material adverse affect on his standard of living or that of his family. Prospective investors should be aware that the value of investments can go down as well as up and the attention of investors is drawn to the Risk Warnings section.

Sponsor, Fund Manager and Placement Agent	Global Investment House (K.S.C.C.) Global Tower Al Shuhada'a Street, Al Sharq PO Box 28807 Safat 13149 Kuwait
Administrator, Custodian and Registrar	Citibank, N.A. (Bahrain branch) Citigroup House P.O. Box 548 Manama 1133, Road 2819 Al Seef District 428 Kingdom of Bahrain
Auditors	KPMG Bahrain 5th Floor, Chamber of Commerce Building PO Box 710, Manama Kingdom of Bahrain
Legal Consultant	Keypoint Consulting WLL 24th Floor, NBB Tower Government Avenue Manama Kingdom of Bahrain

ABBREVIATIONS AND DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the context requires otherwise:

“Accredited Investor”	means Individuals, Families (joint net worth), Corporations (companies, partnerships, trusts or other commercial establishments) and Governmental Organisations whose main function is financial investments, holding financial assets worth US\$ 1,000,000 (US dollars one million) and above.
“Administrator”	Citibank, N.A. (Bahrain branch)
“Allotment Day”	The day on which Units are allotted to investors at the Subscription Price and on a quarterly basis thereafter
“Articles”	Articles of Association of Global Distressed Fund Company B.S.C. (Closed)
“Auditor”	KPMG Bahrain
“Business Days”	Days on which banks are open for business in the Kingdom of Bahrain, Kuwait and New York USA
“CBB”	means the Central Bank of Bahrain or its successor
“CIU”	Collective Investment Undertaking(s)
“Custodian”	Citibank, N.A. (Bahrain branch)
“Directors” B.S.C. (Closed)	Directors of the Board of Global Distressed Fund Company
“Fund”	Global Distressed Fund
“Fund Company”	Global Distressed Fund Company B.S.C. (Closed)
“Fund Manager”	Global Investment House (K.S.C.C.)
“Initial Offer Price”	US\$100 per Unit
“Instrument”	The instrument dated August 17, 2002 by which Global Distressed Fund was created
“Memorandum”	Memorandum of Association of Global Distressed Fund Company B.S.C. (Closed)
“Minimum Holding Requirement”	USD 250,000
“Minimum Subscription”	The minimum subscription amount in the Fund is USD 250,000 and subsequently USD 50,000.
“Minimum Redemption”	The minimum redemption amount in the Fund for Unitholders will be an amount of US\$10,000
“Money Market Instruments”	Treasury bills & bonds, issues of various governments, corporate bonds & certificates of deposits and various types of available Islamic financial Instruments and syndicated loans

“Net Asset Value or NAV”	The net asset value of the Fund as determined by the Administrator on each Valuation Day and calculated in accordance with the principles set out in this Prospectus
“Prospectus”	This Prospectus, and all appendices, attachments and supplements thereto including without limitation, the Subscription Agreement
“Redemption Date”	The date on which Unit holders may redeem Units; December 31 st each year
“Registrar”	Citibank, N.A. (Bahrain branch)
“Subscription Agreement”	The subscription agreement in connection with the Units to be entered into between the Unit Holder and the Fund Company
“Subscription Day”	The last Business Day prior to the allotment day
“Subscription Price”	US\$100 per Unit during the Initial Offering Period and thereafter it will be as per the Net Asset Value of the Fund per Unit at the time
“Unit holders”	Holder of Units in the Fund
“Units”	All of the units issued by the Fund Company in respect of the Fund
“US\$” or “US Dollars”	The lawful currency of the United States of America
“Valuation Day”	Last day of each month at which the Administrator shall calculate the NAV.

SUMMARY

The information set out below has been derived from, and should be read in conjunction with, the full text of this document

THE FUND

Global Distressed Fund (the "Fund") is an open-ended fund created by an Instrument dated August 17, 2002, by the Fund Company and managed by the Fund Manager, registered by the Central Bank of Bahrain (CBB) as an "Exempt Collective Investment Undertaking (CIU) in accordance with the provisions of chapter 3 (Bahrain Domiciled Exempt CIUs) of the Collective Investment Undertakings rulebook, Volume 6.

The Fund will be managed by Global Investment House (K.S.C.C.).

THE FUND COMPANY

Global Distressed Fund Company B.S.C. (Closed) is a joint stock company closed incorporated under the laws of Kingdom of Bahrain with the commercial registration number 55669 to create the Fund. The Fund Company will, by way of the Instrument, create Units in the Fund for which Investors would be invited to subscribe. The monies raised in this offering of Units will be separated for accounting purposes from the Fund Company's other assets.

OBJECTIVE

The Fund aims to achieve capital appreciation with optimum returns, by investing the fund's assets in funds that invest in Distressed Securities predominantly in the US Markets. There is no guarantee that the Fund will be able to achieve its Investment Objective; see the "Risk Warnings" section.

PRICE AND PERFORMANCE MONITORING

The Fund Manager may publish the NAV per Unit in newspapers for the purpose of monitoring performance. Investors should note that the NAV per Unit sent for publication as aforesaid does not include the Initial Charge. Details of the calculation of the value of the investments and other assets and liabilities of the Fund and the price of the Units are given in the section entitled "Issue of Units".

BASE CURRENCY

The value of the assets and liabilities of the Fund will be denominated in United States Dollars.

SUBSCRIPTION

Investors must be; (a) individuals or institutions who are Accredited Investors, and b) individuals or institutions who are not restricted.

The Fund is registered by the Central Bank of Bahrain as an Exempt CIU (as categorised by the Collective Investment Undertakings regulations) and accordingly it is required that each investor be an Accredited Investor. The Subscription Agreement submitted by the prospective investor must include; a) a certificate that demonstrates that the prospective investor satisfies the definition of an accredited investor; b) a document that demonstrates the prospective investor's net worth financial assets (excluding real estate holdings).

The Fund is open to subscription for Accredited Investors on a quarterly basis (on the Subscription Day). As such, the actual Subscription Period will be determined by the Directors acting at their sole discretion. Subscriptions must be made one (1) Business Days before the relevant Valuation Day. The Directors reserve the right to refuse any subscription in their sole discretion.

The minimum subscription by any individual private investor is USD 250,000 exclusive of any initial charge. Subsequent subscriptions shall be USD 50,000. The Fund Manager may at its discretion accept subscriptions in lesser than the minimum subscription amount provided that the subscription is not less than USD100,000 exclusive of the placement fee.

REDEMPTION

Units may be redeemed on an annual basis on the Valuation Day, in accordance with the procedures shown in the “Redemptions” section.

DIVIDEND POLICY

The Fund Company intends to distribute part of the Fund’s net investment income on an annual basis.

The Fund Company may, acting at the sole discretion of the Directors, declare and pay dividends to the Unitholders of the Fund during the year at a date no later than three months after the completion of its financial year if the manager deems its in the best interest of the Fund and its Unitholders, with due notification of the Central Bank of Bahrain.

ANNUAL ACCOUNTING DATE

The annual accounting date of the Fund shall be at the fiscal year end i.e. 31st December each year.

Further details about the above topics will be found in the following pages of this Prospectus

ORGANISATIONS INVOLVED IN THE RUNNING OF THE FUND

FUND SPONSOR

Global Investment House is the Sponsor of the Fund, and shall act as the Fund Manager of the Fund.

FUND MANAGER

Global Investment House (K.S.C.C.), a listed Kuwaiti joint stock investment company, is the Operator, the Manager and the Placement Agent of the Fund.

The assets of the Fund are to be allocated by the Fund Manager into various various distressed funds that the Fund Manager identifies as investment opportunities. The Fund Manager, among other things, is responsible for the day-to-day management and operation of the Fund.

The Manager is a leading investment bank in the Middle East and has significant asset management expertise. The Manager has a strong investment and asset management track record. The assets of the Fund are to be allocated by the Manager into various securities in which the Manager identifies investment opportunities.

PLACEMENT AGENT

Pursuant to the Placement Agency Agreement, Global Investment House has been appointed as the Fund's Placement Agent. The Placement Agent will use at all times its best endeavors to promote and extend sales of the Fund to all potential Investors and make available materials relating to the Fund to potential Investors as well as receive the Subscription Agreements together with the accompanying subscription amounts. The Placement Agent will have the discretion to appoint Sub-Placement Agent(s) subject to the terms of the Placement Agency Agreement.

PROFILE OF THE FUND MANAGER

Global's objective is to meet the high expectations of local and international clients, enhance the investment service industry in the region and implement the ambitious goals of an experienced management team and a sophisticated list of shareholders.

Global's business philosophy is to build distinguished relationships with their clients, business partners, shareholders, and staff based on professionalism and trust resulting in stronger returns to all parties involved .

Global plays an important role in promoting investment opportunities in the Arabian Gulf Peninsula and the Middle East and North Africa (MENA) region to international investors through expert financial engineering. It also provides investors with a diverse scope of international and national investment opportunities, and facilitates those investments by providing clients with services that target their individual needs.

CUSTODIAN, ADMINISTRATOR AND REGISTRAR

Citibank, N.A. (Bahrain branch) has been appointed as the Custodian, Administrator and Registrar of the assets of the Fund pursuant to the Custodian Agreement & Administration Agreement, between the Company and Citibank, N.A. (Bahrain branch) (the "Custodian Agreement and the "Administration And Registration Agreement").

Under the terms of The Custody Agreement the Custodian will hold all the assets of the Fund in the Fund's name, and will act as bankers to the Fund.

Profile of Citibank, N.A.

Citi is a leading player in respect of our Markets & Banking business and consumer finance in the Kingdom of Bahrain, providing tailor-made banking solutions to a diverse client base through a broad spectrum of innovative banking services and products including debt capital markets, advisory, corporate finance, cash management and project finance.

Citibank is a major international bank, founded in 1812 as the City Bank of New York, later First National City Bank of New York. Citibank is now the consumer banking arm of financial services giant Citigroup, one of the largest companies in the world. As of March 17, 2007, it is the largest bank in the United States by holdings.

Citibank has operations in more than 100 countries and territories around the world. More than half of its 1,400 offices are in the United States, mostly in the New York City, Chicago, Miami, and Washington, D.C. metropolitan areas, as well as in California.

Citi is today's pre-eminent financial services company and was built to create a highly diversified financial services company that could act as one to deliver solutions to clients throughout the world.

Found in more than 100 countries, Citibank delivers a wide array of banking, lending and investment services to individual consumers, as well as to small businesses with up to \$10 million in annual sales. We also offer a full range of financial services products to serve the needs of small and large corporations, governments, and institutional and individual investors. Our Financial Center Network is comprised of local offices and complemented by our electronic delivery systems, including ATMs and the Internet.

Citi offer treasury, investment management services, consumer banking from our Global Consumer Group and also services from our Markets & Banking business such as trade and project finance Our expertise is built upon a foundation where a team of professionals combine local know-how with the access and resources of an advanced global network. We have been cited for our excellence in the highly competitive world of finance and banking.

Citi is currently a leading player in respect of our Markets & Banking business and consumer finance in the Kingdom of Bahrain. We provide tailor-made banking solutions to a diverse client base through a broad spectrum of innovative banking services and products including debt capital markets, advisory, corporate finance, cash management and project finance.

Citi's Global Consumer Group offers credit cards, consumer loans, CitiGold priority banking and investment services, in addition to private banking products tailored to its consumer clients.

AUDITOR

KPMG (Bahrain) will act as auditor of the Fund.

KPMG is the global network of professional services firms providing audit, tax and advisory services from more than 715 cities in 148 countries. KPMG in Bahrain was established in 1968 and has grown in stature and reputation. This is due to its principle of giving clients high quality services, relevant advice and information as required.

LEGAL CONSULTANT

Keypoint Consulting WLL (Bahrain)

REPRESENTATIVE IN BAHRAIN

The Fund's representative in the Kingdom of Bahrain will be Global Investment House B.S.C. (Closed) (attention Mr. Naser Al Gharibah).

PART I - INVESTMENT POLICY, OBJECTIVE AND RESTRICTIONS**GENERAL INVESTMENT POLICY**

The assets of the Fund are to be diversified, in accordance with the directions of the Fund Manager, into individual funds, which will be managed independently of one another. The Fund Manager will identify the investment strategy, target investments and investment restrictions applicable to each individual investment, in accordance with the Investment Strategy set out below:

INVESTMENT STRATEGY AND PROCESS

The Fund Manager will attempt to accomplish the Fund's investment objectives by following the trading policies as stipulated by the Directors, set forth below:

1. The Fund's assets will be invested mainly in Distressed Funds (Sub-Funds)
2. The Fund will attempt to diversify its positions among selected funds, although, until the Fund is of a sufficient size, the diversification may not be extensive
3. The Manager may liquidate all of the positions that the Fund has taken and may refrain from taking any new positions during periods when, in their opinion, unusual market conditions exist that warrant such action
4. The Manager may invest the Fund's uninvested cash assets in any money market instrument or in money market funds in any currency
5. The Fund may invest in equity and equity linked instruments & derivatives, fixed income, senior debt, high yield bonds & any related instruments
6. No sub-fund position will be more than 20% of the fund except Money Market Funds
7. The fund may invest up to a maximum of 20% of the NAV collectively in Global Investment House Funds

RISK WARNINGS

Important – if you are in any doubt about the contents of this prospectus, you should seek independent professional financial advice. Remember that all investment may go down as well as up. Investments in this collective investment undertaking are not considered deposits and are therefore not covered by the Kingdom of Bahrain's deposit protection scheme. The fact that this collective undertaking has been registered by the Central Bank of Bahrain, does not mean that the CBB takes responsibility for the performance of these investments, nor for the correctness of any statements or representations made by the operator of this collective investment undertaking.

The risks involved with investing in the Fund which may affect the Fund's performance (but not limited to hereunder) and are listed as follows: -

1. The price of the Unit is denominated in US Dollars and it should be remembered that changes in rates of exchange between currencies may cause the value of the investment to diminish as well as increase
2. Restrictions on investments in certain jurisdictions may limit the liquidity of the Fund's investments
3. The capital return and income of the Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the Fund's return may be expected to fluctuate in response to changes in the value of the underlying investments
4. The information in this document is based on existing legislation, including taxation legislation, which may be subject to change. The value of the Fund's investments may be affected by uncertainties, such as political developments, changes in governmental policies, taxation, currency repatriation restrictions, and restrictions on foreign investment in some or all of the countries in which the Fund may (directly or indirectly) invest
5. The Fund will be exposed to a credit risk on parties with whom it trades and may also bear risk of settlement default. In particular, investors should note that emerging markets are less liquid and more volatile than the world's leading stock markets, and this may result in fluctuations of the NAV
6. The regulatory supervision, legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of Unitholder protection of information to investors as would generally exist in more mature or developed markets. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international financial reporting. This may affect the valuation of assets in which the Fund invests
7. The performance of the Fund may be affected by changes in economic and marketing conditions and in legal, regulatory and tax requirements. The Fund will be responsible for paying its own fees and expenses regardless of the level of its profitability
8. If the Fund Manager directs the Fund to invest in an investment opportunity, the Fund may appoint professional advisors to provide investment advice and other services in relation to such investment. Fees and/or charges (including, but not limited to, any documentary and/or stamp taxes) payable in connection with such appointments may be payable by the Fund
9. The Fund invests in funds that invest predominately in distressed securities
10. The Fund reserves the right to establish adequate reserves to satisfy any financial obligations to be funded by some or all of the capital or earnings of the Fund, or to issue additional Units for such purpose
11. Investment in the fund should be regarded as medium term in nature and there can be no guarantees that the Fund's objectives will be achieved
12. The Fund may be terminated pursuant to an order by the Central Bank of Bahrain.

13. The Fund Company reserves the right to terminate this scheme due to adverse conditions, force majeure and other circumstances beyond the control of the Fund Manager or the Fund Company, subject to the approval of the Central Bank of Bahrain

14. FORCE MAJEURE:

The Fund Company or the Fund's Manager shall not be liable to the Subscribers for any failure, delay or interruption in the performance of its obligations which result from any occurrence not reasonably within the Manager's control

The Fund Company or the Fund Manager shall not be liable to the Subscribers in case the scheme is terminated due to reasons beyond the control of the Fund Manager or the Fund Company

PART II - FEATURES OF THE UNITS**SUBSCRIPTION**

The minimum subscription by any individual private investor is USD 250,000 exclusive of any initial charge. Subsequent subscriptions shall be USD 50,000.

The Fund Manager/Placement Agent may at its discretion accept subscriptions in lesser than the minimum subscription amount provided that the subscription is not less than USD100,000 exclusive of the placement fee.

ISSUE OF UNITS

The Units would be issued in registered form and rank pari passu in all respects with each other. The Units carry no voting rights at meetings of the general assembly of the Fund Company. The rights and obligations of all Units are in accordance with the Instrument. To the extent deemed practicable by the Directors and subject to the Instrument, Units will have the same attributes as bonds issued under the Commercial Companies Law.

Applicants may subscribe for Units for allotment on the Allotment Day, at a subscription price per Unit as per the prevailing NAV. Units will neither be allotted nor issued unless a duly completed and signed subscription form together with cleared funds have been received by the Fund Manager/Placement Agent prior to the close of the Subscription Day. No third party payment or cash payment will be accepted for subscription application. Units will neither be allotted nor issued unless cleared funds have been received in the Fund's bank account held by the Custodian.

Units will be in registered form and certificates will not be issued. Subscription monies representing smaller fractions of a Unit will be retained by the Fund .

The Fund Manager/Placement Agent may, in its absolute discretion, reject an application in whole or in part without assigning or revealing any reason therefore.

A statement of account confirming subscribed units shall be provided to all Unitholders, however, no ownership certificates shall be issues.

PLACEMENT FEE

The Placement Agent will charge new subscribers to the Fund a placement fee according to the following schedule:

- | | |
|--------------------------|-------|
| 1. \$250,000 – \$499,999 | = 1½% |
| 2. \$500,000 – \$999,999 | = 1¼% |
| 3. Over \$ 1 million | = 1% |

The Fund Manager may at its discretion accept Placement Fees in lesser amounts.

PAYMENTS IN OTHER CURRENCIES

Payments in respect of the issue of Units must be in US Dollars. Application monies received in other than in US dollars, will be converted into US dollars and all bank charges and other conversion costs will be deducted from the application monies prior to investment in the units.

Where payments in respect of redemption of Units are requested in a currency other than US Dollars, the necessary foreign exchange transactions may be arranged by the Fund Manager on behalf of, for the account of and at the expense of the applicant. Unit holder without responsibility on the part of either the Fund Company or the Fund Manager for the currency conversion risk.

ANTI MONEY LAUNDERING

The CBB has developed Anti Money Laundering Legislation to address the problems associated with the laundering of proceeds of criminal activities, as well as the combating of terrorist financing.

And as such, the CBB issued the Decree Law No. (4) in 2001 for the Prevention and Prohibition of the Laundering of Money, outlining the offences Money Laundering and the punishments for such violations. Subsequently, the CBB issued the Money Laundering Regulation (EDBC/6/2001 of 14 October 2001), which is imposed on relevant CBB licensed institutions ("licensees").

The CBB also abides with the United Nations Security Council Resolutions (UNSCRs) 1267, 1373, 1390 and 1455, ordering financial institutions to identify and freeze accounts of organisations associated with members of terrorist groups. Regulations are also in place to ensure charitable contributions are not channelled to the financing of terrorism.

In keeping with anti-money laundering (AML) regulations, additional documentation may be required to accompany the subscription for Units. This documentation will be used to comply with these regulations and to verify the identity of investors, and will remain confidential. The Fund Company/Placement Agent reserves the right to request further documentation or information from the investor as is required by the Know Your Customer (KYC) regulations and other requirements and regulations issued by the CBB from time to time on anti money laundering and terrorist financing. Failure to provide documentation will result in the rejection of the subscription.

In order to comply with regulations aimed at the prevention of money laundering, the Fund Manager/Placement Agent, and the Administrator, will require a detailed verification of the prospective Unit holders' identity and the source of the payment.

REDEMPTIONS

Units having an aggregate redemption value of not less than US\$10,000 may be redeemed on an annual basis as of the Redemption Date at a redemption price equal to the Net Asset Value per Unit prevailing on the relevant Valuation Day. The right to redeem Participating Units is subject to certain limitations. See "Net Asset Value of the Fund". In the event the redemptions exceed 15% of the Net Asset Value of the fund, the fund manager has the right but not the obligation to limit the redemptions to 15% and disburse redemption proceeds on a prorata basis. In that event, redemption request proceeds in excess of 15% of the Net Asset Value for any given year will be disbursed during the following Redemption Date.

Notwithstanding the previous paragraph, the fund manager reserves the right to limit redemption requests to unit holders on a proportional basis to the extent that liquidity is available on the underlying assets of the fund. The excess shall be held over until the next Redemption Date.

A redemption request for less than all of the Units held by a Unit Holder will not be honoured if the value of the remaining Units held by such Unit Holder would be less than the amount of the Minimum Holding Requirement.

The minimum notice period for redemptions is 120 days before the relevant Valuation Day. If a request for redemption received by the Fund Manager is 120 days prior to the Redemption Date, the redemption shall be processed as of the next Redemption Date. However, a request for redemption received within 120 days prior to the relevant Redemption Day, would be processed as of the following Redemption Date. Any increase or decline in Net Asset Value from the date a request for redemption is given until the relevant date on which Net Asset Value per Unit is determined will be reflected in the redemption price.

Units may be redeemed by forwarding to the Fund Manager a duly completed and signed Request for Redemption in the form attached to this Offering Circular indicating the name and full address printed exactly as the Units have been registered. In certain instances, additional documents may be required, such as, but not limited to, trust instruments, death certificates, appointments as executor or administrator or certificates of corporate authority. A Request for Redemption may be withdrawn during any period when the Directors have suspended the determination of Net Asset Value.

Subject as mentioned above and so long as relevant account details have been provided, payment on redemptions will be made 30 days after NAV finalisation. Portfolio investments will be liquidated to the extent necessary to discharge the Fund's liabilities on the date of redemption.

Redemption proceed will not be paid to any Unitholder until unless otherwise agreed by the Fund Manager, the written original of the redemption request duly signed by the Unitholder has been received by the Manager. No payment will be made to a person other than the registered Unitholder. Redemption

monies representing smaller fractions of Unit will be retained by the Fund. Any redemption money unclaimed after five years from the date of payment shall become part of the assets of the Fund.

COMPULSORY REDEMPTION

The Directors of the Fund Company and the Fund Manager shall have power to impose such restrictions and conditions as they consider necessary (including, without limitation, delivery of any certificates or other documents by any transferor or transferee) for the purpose of ensuring that none of the Units of the Fund are acquired, beneficially owned or held by any person in breach of any law or requirement of any country or governmental authority, by a person who by virtue of any such law is not qualified to hold such Units or by any person whose holding of those Units might in the opinion of the Directors cause or be likely to cause a pecuniary or tax disadvantage to the Fund, the Fund Company, or any Unitholder.

The Directors shall be entitled compulsorily to redeem all of the Units so held and Units which are compulsorily redeemed shall forthwith be treated as cancelled.

Units redeemed in these circumstances shall be redeemed at Net Asset Value calculated as at the close of the markets in which the Fund's investments are held, on the Valuation Day next following the decision of the Directors to redeem.

No compulsory redemption will be affected if such action is contrary to the relevant local laws.

DEFERRAL OF REDEMPTIONS

In the event that the Directors determine that special circumstances have arisen, including, but not limited to, default or delay in payments to the Fund by other persons or inability to establish the price of any investment, the Fund is entitled to delay payment of redemption proceeds equal to the proportionate part of the net assets of the Fund represented by the sums that are the subject of such default or delay.

The Directors may also defer payment of the redemption price of a Unit if raising funds would, in the bona fide determination of the Directors, be unduly burdensome to the Fund.

TRANSFERS

There shall be no secondary market in the Units and transfers will only be permitted subject to Fund Manager approval, or in the case of inheritance or succession

NET ASSET VALUE OF THE FUND

The Administrator shall calculate the NAV on the last day of each month. The Net Asset Value shall be calculated within 45 Business Days after the Valuation Day, subject to receiving final statement from the Administrator of the underlying Investments.

The NAV of the Fund is determined by deducting the total liabilities, including all accrued liabilities, from the total assets of the Fund. Total assets are the sum of all cash, accrued profit, dividends and other receivables and the market value of all investments together with the current value of any other assets held. The NAV is determined in accordance with International Accounting Standards.

The value of the investments made by the Fund in the case of unquoted securities or securities for which market quotations are not readily available will be valued at fair value as determined in good faith, and pursuant to procedures adopted by the Board of Directors. These procedures consider, among others, the following factors to determine a security's fair value:

- 1 market prices for the security or securities deemed comparable;
- 2 dealer valuations of the security or securities deemed comparable; and
- 3 determinations of value by one or more pricing services for the security or securities deemed comparable.

In the case of quoted securities, the value shall be the closing price of the share as on any of the stock exchange where the share is listed. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. The Fund Manager will select the appropriate stock exchange:

1. Investments into funds or similar investment vehicles are valued on the basis of the most recent NAV or valuation provided by the Fund Manager or Administrator;
2. Investments listed or quoted on a recognised market are valued at bid/closing price in the relevant market on the Valuation Day utilising generally an electronic price feed from one or more reputable price vendors. Market value is the closing price;
3. Investments for which, in the Fund Manager's opinion, no appropriate market price is readily available or which are not listed or quoted on a recognised market are valued at their market value as determined by one or more banks or brokers at the sole discretion of the Fund Manager;
4. In the event that no third party is able to make a determination of the value for a particular investment, the Manager acting in the best interests of the Fund may exercise its reasonable judgement to determine the best method of valuation of such investment. Such valuation is not open to challenge by current or previous Unit holders of the Fund;
5. The value of collected or deposited cash, bonds, notes at call, total accruals and expenses paid in advance, dividends distributed in cash, and accrued uncollected dividends shall be considered equal to their full amounts unless it is unlikely to pay or collect them in full, in which event their value shall be determined after effecting the reduction deemed by the Fund Manager as appropriate to show their true value;
6. All Fund liabilities, reserve and emergency items (inclusive of taxes), and accrued costs and expenses that are paid through the Fund shall be deducted;
7. Income and expenses shall accrue on a daily basis, whenever this is practical;
8. Assets and Liabilities in foreign currencies will be expressed in US Dollars at the prevailing rate of exchange on the relevant Valuation Date.

The NAV per Unit is determined by dividing the NAV of the Fund by the number of Units in issue and rounding to the nearest cent. It should be noted that if, in order to meet redemptions it is necessary to realise investments prematurely, any penalties or losses incurred may be reflected in the redemption price of the Units.

SUSPENSION OF VALUATION

In certain circumstances beyond the control of the Fund Manager or the Fund Company such as force majeure, valuations and calculation of the Net Asset Value of the Fund shall be suspended, with due notification of the Central Bank of Bahrain, until return of normality and resolution of directors. Accordingly, neither subscriptions nor redemptions shall be allowed at such times until return of normality and resolution of directors.

FEES AND CHARGES**Fund Management Fee**

The Fund Management Fee will be 1% per annum of the Net Asset Value of the Fund. The fee will be calculated and accrued as of each Valuation Day and paid quarterly in arrears based on the Net Asset Value of the Fund on each valuation day during the quarter.

The Fund is responsible for its own operating expenses, including legal fees, stamp and other duties and brokerage and other charges incurred on the acquisition and realisation of investments. The Fund also pays expenses incurred by the Fund Manager or incurred in connection with any issue of Units, and the costs of prospectuses, issued by the Fund Company.

Incentive Fee

In addition to the fees payable to the Fund Manager as set out above, the Fund Manager shall be entitled out of the assets of the Fund to receive a fee (the "Performance Fee") that equals 10% of any appreciation of the NAV of the fund in the year that return exceeds 8% per annum (including any distributions), which will accrue on each Valuation Day and will be paid annually in arrears at the end of each accounting period (the "Relevant Period") in an amount equal to "I".

The calculation for the incentive fee is as follows:

$$"I" = 10\% \times "S"$$

Where

"S"=the appreciation of the NAV that exceeds 8% per annum, calculated as of each Valuation Day.

For the purposes of calculating the subscription prices and the redemption prices of Units on any Valuation Day the Performance fees as at that Valuation Day will be accrued but in calculating the Net Asset Value per Unit as at the end of the Relevant year-end for determining the Performance Fee such accrual will be ignored.

In the event that Units are redeemed, the performance fee in respect of such Units shall be calculated and become payable as at the date of such redemption.

A high water mark will be employed so that no Incentive Fee will be charged until the NAV per unit exceeds the highest NAV per Unit as at the last Valuation Day of any previous Relevant Period.

ORGANIZATIONAL EXPENSE FEES

In addition to the fees and operational expenses referred to above, the Fund Manager will charge the Fund an Organizational Expense Fee of 0.5% of the size of the fund at the end of the initial offering period; this fee will be amortized over the first financial year of the fund, to cover his expenses including without limitation, taxes, expenses for legal and auditing services, Unit holders reports, and other expenses due to supervisory authorities in Bahrain, insurance, interest, brokerage costs, the cost of publication of Net Asset Value and any other costs and commissions incurred in connection with the Offer financing charges and costs, and ongoing fees thereafter.

The Fund anticipates incurring further fees during the life of the Fund to cater to expenses such as marketing, media campaign, reporting to investors, including without limitation, printing the annual reports of the Fund, and other expenses due to supervisory authorities in Bahrain, insurance, interest, the cost of publication of the NAV, databases, and any other costs and commissions incurred in connection with marketing the Fund for which the additional amount will be paid by the Fund and will be expensed as incurred with a cap of US\$75,000 per annum.

Custodian Fee

The Custodian shall be paid a fee of between 0.0125% and 0.035% per annum depending on the total dollar value of investments in the Fund. The fee will be calculated monthly and paid monthly.

Administration and Registrar Fee

The Administrator shall be paid a fee of between 0.04% and 0.06% per annum of the Net Asset Value of the fund; as per the Administration Agreement. The fee will be calculated monthly and paid monthly.

Audit

The Auditor shall be paid a fee of US\$13,500 per annum; as per the Audit Agreement.

PART III - TAX AND REGULATION

TAX POSITION OF THE FUND

The following comments are based on advice received by the Fund Manager regarding the current law and practice in the Kingdom of Bahrain and elsewhere and are intended only to assist potential investors.

Investors should appreciate that as a result of changing law or practice or unfulfilled expectations as to how the Fund or investors will be regarded by tax authorities in different jurisdictions; the tax consequences for investors may be other than as stated below.

Investors should consult their professional advisors on the possible tax consequences of their subscribing for, purchasing, holding or selling the Units under the laws of their countries of citizenship, residence, ordinary residence or domicile.

BAHRAIN TAX CONSIDERATIONS

As at the date of this document there will be no income, withholding or capital gains taxes payable by the Fund or the Fund Company under the currently prevailing Bahrain laws. There are no currency or exchange control restrictions currently in force under the laws of the Kingdom of Bahrain and the free transfer of currency into and out of Bahrain is permitted, subject to any international regulations in force from time to time.

In the event that there is any material amendment or change to the laws of the Kingdom of Bahrain in connection with the matter referred to above, the Fund Manager shall notify the Unit holders and the CBB of such amendment or change in the next following report that is circulated to the Unit holders after such amendment or change has come to the attention of the Fund Manager.

UNIT HOLDER TAXATION

Prospective investors should ascertain from their professional advisors the consequences of acquiring, holding, redeeming, transferring or selling Units under the relevant laws of the jurisdictions to which they are subject, including any tax consequences and exchange control requirements.

PART IV - GENERAL INFORMATION REPORTS TO THE UNIT HOLDERS

The Fund's fiscal year end will be 31st December in each year. It is intended to circulate the Fund's annual audited accounts to the Unitholders, which are required to be filed with the CBB and the Ministry of Industry & Commerce in Bahrain, within four months of the fiscal year end of the Fund. It is also intended that interim (unaudited) accounts for the six months after the fiscal year end, will be published and circulated to the Unitholders within two months of the end of the relevant six-month period. Such interim accounts are required to be filed with the Central Bank of Bahrain. The annual audited accounts will be prepared in accordance with international financial reporting. All accounts will be available for inspection by the Unit holders at the offices of the Fund Manager and the Registrar.

The Fund will publish the NAV per Unit on a weekly basis and will circulate to Unit holders a periodic report from the Fund Manager which report shall also contain details of any new investment opportunities and information relating thereto.

MATERIAL CONTRACTS

The following contracts which are or may be material have been entered into by the Fund otherwise than in the ordinary course of business:

- 1) Fund Management, under which the Fund Manager has been appointed to manage the investments of the Fund and perform administrative functions and be entitled to receive the payments as detailed under "Fees and Charges". This Agreement can be terminated by any party thereto on 90 days' written notice;
- 2) Custodian Agreement and Administration Agreement whereby custodial functions are provided by Citibank, N.A. (Bahrain branch), for which they are entitled to receive from the Fund fees as detailed under "Fees and Charges". The Agreement may be terminated by either party on 90 days' written notice;
- 3) Registrar Agreement, whereby the duties of Registrar are to be performed by Citibank, N.A. (Bahrain branch), for which they are entitled to receive a fee as detailed under "Fees and Charges". The agreement may be terminated by either party on 90 days' written notice;
- 4) Audit Agreement, whereby the duties of the Auditor are to be performed by KPMG Bahrain, for which they are entitled to receive a fee as detailed under "Fees and Charges". The agreement may be terminated by either party on 90 days' written notice.

CONFLICTS OF INTEREST

The Fund Manager, its officers and associated companies may be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Fund. With the prior approval of the Fund, they may provide similar services to others, so long as the services to be provided to the Fund are not thereby impaired. The Fund Manager will have regard to its obligations under the Management Agreement with the Fund and act in the best interests of the Fund, so far as is practicable having regard to its obligations to other clients, when potential conflicts of interest arise.

MISCELLANEOUS

- (i) No Units in the Fund are under option or agreed conditionally or unconditionally to be put under option;
- (ii) No Units or loan capital of the Fund have been or are agreed to be proposed to be issued as fully or partly paid up otherwise than in cash;
- (iii) As at the date of this Prospectus the Fund has no loan capital outstanding or created and issued, and no outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease agreements, guarantees or other contingent liabilities;
- (iv) The Fund Manager is or may be promoters of the Fund and will receive the management fee and other benefits from the Fund as described in this Prospectus. Save as disclosed in this Prospectus, no

amount or benefit has been paid or given to the Fund Manager and none is intended to be paid or given;

- (v) Measures will be taken into consideration to comply with the Money Laundering Regulation issued by the CBB on 14th October 2001, **pursuant to the Amiri Decree Law No. 23 of 1973 (the CBB Law) and Amiri Decree Law No 4 of 2001 (with respect to the Prevention and Prohibition of the Laundering of Money)** It is required that an applicant verify his identity to the Fund The Fund Manager/Placement Agent will notify applicants if proof of identity is required An individual is required to produce a copy of a passport or identification card duly certified by a public authority, together with evidence of his address such as utility bill or bank statement In the case of corporate subscribers, this may require production of a certified copy of the Certificate of Incorporation, bylaws, Memorandum and Articles of Association (or equivalent), and the names and addresses of all directors and beneficial owners;
- (vi) The Fund Manager/Placement Agent reserves the right to request further documentation or information from the investor as is required by the Know Your Customer (KYC) regulations, and other requirements and regulations issued by the CBB from time to time on anti money laundering and terrorist financing;

Amendments to the Prospectus will come in effect subject to **notifying** the CBB Unitholders shall be duly notified of such changes within one business week. Amendments to the investment strategy and other amendments that the Fund Manager considers as material, is subject to the unitholders approval.

TERMINATION

- 1) The Fund may be terminated pursuant to an order by the Central Bank of Bahrain.
- 2) The Fund Company reserves the right to terminate this scheme, due to severe market adversaries, force majeure or political crisis, subject to the approval of the Central Bank of Bahrain.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents, which are available for information only and do not form part of this Prospectus, may be inspected at the offices of the Fund Manager and at the Fund's Company office (c/o Global Investment House, Bahrain) during normal business hours on any day save for Fridays and public holidays:

- 1 The material contracts referred to above;
- 2 The Commercial Companies Law (Decree Law No. 21/2001) of the laws of Bahrain;
- 3 This Prospectus;
- 4 Commercial License; Registration Form; Memorandum of Association; and Articles of Association of the Fund Company ;
- 5 The Instrument;
- 6 Financial Reports.

Fund Manager Address:

Global Investment House K.S.C.C.

Global Tower, Al Shuhada'a Street, Al Sharq, Kuwait City, P.O. Box : 28807 Safat, 13149
Kuwait

Telephone: +965 2 295 1000

Facsimile: +965 2 295 1005

Bahrain Office address:

Global Investment House B.S.C. (Closed)

NBB Tower, Building 113, 19th Floor, Office 191, Government Avenue 383, Block 316,
P O Box 855, Manama, Kingdom of Bahrain

Telephone: +(973) 17-210011

Facsimile: +(973) 17-210022

GOVERNING LAW

The Fund is governed by the laws of the Kingdom of Bahrain and by the regulations of the CBB. All contractual agreements, this Prospectus, the Articles and Memorandum of Association of the Fund Company, are also governed by the law of the Kingdom of Bahrain and CBB regulations.

DIRECTORS

The first directors of the Fund Company shall be as follows:

- | | |
|----------------------------|------------|
| 1. Maha Khalid Al-Ghunaim | - Director |
| 2. Bader Abdulla AL-Sumait | - Director |
| 3. Khawla Al Roomi | - Director |
| 4. Naser Al Gharibah | - Director |

DIRECTOR PROFILES**Ms Maha K. Al-Ghunaim**

Chairperson and Managing Director

Global Investment House (K.S.C.C.)

Appointed in 1998 as Vice Chairman & Managing Director and in 2007 as a Chairperson & Managing Director. Currently Vice Chairman of National Ranges Company (Kuwait), Shurooq Investment Services Co. (Oman), Board Member of the National Industries Group (Kuwait), BankMuscat International (Bahrain), Depa United group (UAE), CNBC (Pakistan), Kenan International Real Estate Development Co. (Saudi Arabia), JS Global (Pakistan), Barings Private Equity Asia Ltd. (Hong Kong), Dubai International Financial Exchange (Nasdaq/DIFX) and others.

Maha Al-Ghunaim, along with other distinguished members, founded Global in 1998 and has led the institution since then to make it one of the most successful financial services institutions in the MENA

region. Maha received her Bachelor of Science degree in Mathematics from San Francisco State University, California, USA in 1982. She then joined Kuwait Foreign Trading Contracting & Investment Co. (KFTCIC), which is the investment arm of Kuwait Investment Authority, and in 1988 she became the AGM for Asset Management at Kuwait Investment Company. Maha is the Chairperson of many companies and sits on the Board of numerous companies in the region, one of which is Nasdaq/DIFX Board. She has received several awards and recognitions from renowned local, regional and international institutions.

- Received a Bachelor of Science in Mathematics from San Francisco State University, California
- In 1982 she joined Kuwait Foreign Trading Contracting & Investment Co (KFTCIC) and became head of portfolio management department in 1988
- Member of the Asset Allocation Committee
- Member of Al-Kharejeyah Umbrella Fund
- She was appointed Assistant General Manager of the Asset Management at Kuwait Investment Co (KIC)
- Head of the Strategy Committee for Asset and Currency Allocation at Kuwait Investment Co (KIC)
- On the board of different investment funds
- Board Member of the International Financial Advisors Co (IFA) from 1986-1988
- Board Member of United Bank of Kuwait (UBK) from 1994-1998
- Member of the executive committee at UBK
- Board Member of the National Industries Group (NIG), since 1996 to date
- Member of the executive committee at NIG to date
- Board Member at the Industrial Bank of Kuwait from 1999-2000
- Vice Chairman & Managing Director of Global Investment House (K.S.C.C.) from 1998 to 2006
- Chairperson & Managing Director of Global Investment House (K.S.C.C.) from 2007 to date
- Vice Chairman of Kuwait Finance and Investment Co from 2000 to 2003
- Vice Chairman of Housing finance Co (ISKAN) from 2002 to date
- Member of the Practitioner Committee Dubai International Financial Exchange DIFX

Mr Bader AL-Sumait

Chief Executive Officer

Global Investment House (K.S.C.C.)

Bader AL-Sumait is the Head of Global Shared Services which includes Finance & Accounts, Legal, Information Technology, Marketing & Communication, Operations, Human Resources & Administration, and Brokerage. He received his Bachelors degree from Chapman University in the USA and has over 29 years of experience in asset management, banking and finance, and is a prominent figure in the Kuwaiti capital market. Before co-founding Global in 1998, he was the Managing Director of the Arab Financial Consultant Company. In addition to being a member of the listing committee of the Dubai International Financial Exchange (DIFX), Bader is the Chairman and Board Member of several local and regional institutions.

- Received his degree from Chapman University, USA, 1980
- Posed as the General Manager for Arab Financial Consultant Company (AFCC) in 1984 and he became the Managing Director in 1997
- Helped establish Al Oula Brokerage Company in 1985 where he served as the Chairman and Managing Director up to 1997
- Served as a board member of KIC, Kuwait International Fairs Co, Bank of Bahrain & Kuwait, Educational Services Company and Palm Agriculture Production Company Chairman of the Committee for the merger between Kuwait Investment Company, Kuwait Foreign Trading Contracting & Investment Company, and IFA in 1991
- Currently he is Vice Chairman of Gulf Franchising Holding Co, and Chairman of Al-Manar Finance & Leasing Co

Khawla B. Al Roomi

Senior Vice President
Personnel and Administration
Global Investment House (K.S.C.C.)

Educational Background

Received her Bachelor of Commerce from the Kuwait University in 1983

Professional Background

Joined KFTCIC in 1983 and worked as Senior Vice President, Personnel and Administration, at Kuwait Foreign Trading and Contracting and Investment Company 'KFTCIC' from 1994 to 1997

Worked as Senior Manager, Human Resources at Kuwait Investment Company 'KIC' from 1997 to 1998
Joined Global Investment House (K.S.C.C.) in 1998 as Senior Vice President, Personnel and Administration

Mr Naser Al Ghariba

Operations Manager
Global Investment House Bahrain

Educational Background

Received Bachelor of Business Administration from Mercer University, Atlanta, Georgia, USA in 1984

Professional Background

Joined Al Ahleia Insurance Co SAK in 1985, and worked as a Trainee in the General Accidents Department till 1987

Worked for the Motor Department as Manager 1987-1988
Worked for Production & Branches Department as Manager 1988-1994
Worked as Assistant General Manager 1994 - 1997

Joined Al-Dar Insurance Bureau in 1997 as General Manager up to 2003
Joined Global Investment House Bahrain in 2003 as Operations Manager

PART V - APPLICATION PROCEDURE

Applications for Units in the Fund must be made to the Fund Manager in accordance with the procedure set out below:

2. SUBSCRIPTION

Applications for Units along with cleared subscription monies must be received one (1) Business Days prior to the relevant Valuation Day. Subscription amount must be remitted through the Subscribers own bank account.

3. BY FAX, POST OR HAND

The Directors strongly recommend fax applications using the Subscription Agreement Form herewith. However, the original application must follow promptly thereafter Applications may be sent by post or delivered by hand using the relevant Subscription Agreement Form herewith.

3 PAYMENT TRANSFER

No Units will be issued to an applicant until cleared payment is received by the Fund. Investors are therefore recommended to arrange for a telegraphic transfer of the amount to be invested to the account details provided below :

Bank Details:

Citibank N.A., London
 SWIFT Code: CITIGB2L
 A/C Number: 12544067
 For credit to: Global Distressed Fund

Correspondent Bank Details:

Citibank N.A., New York
 SWIFT: CITIUS33
 IBAN: GB23 CITI 1850 0812544067

4. CURRENCY OF PAYMENT

Payment must be in US Dollars Any application monies, other than in US dollars, will be converted into US dollars and all bank charges and other conversion costs will be deducted from the application monies prior to investment in the units.

5 NOTES

- i) Applications will be acknowledged by written confirmation;
- ii) The Fund Manager reserves the right to reject any application in whole or in part, in which event the application monies or balance thereof will be returned without interest by post at the risk of the applicant;
- iii) Where registration of Units is requested in the name of a bank or other nominee, the application should be made by the nominee in question;
- iv) Where registration is requested in joint names all applicants should sign the Subscription Agreement Form;
- v) Measures will be taken into consideration to comply with the Money Laundering Regulation issued by the CBB on 14th October 2001, **pursuant to the Amiri Decree Law No 23 of 1973 (the CBB Law) and Amiri Decree Law No 4 of 2001 (with respect to the Prevention and Prohibition of the Laundering of Money)** It is required that an applicant verify his identity to the Fund The Fund Manager will notify applicants if proof of identity is required An individual is required to produce a copy of a passport or identification card duly certified by a public authority, together with evidence of his address such as utility bill or bank statement In the case of corporate subscribers, this may require production of a certified copy of the Certificate of Incorporation, bylaws, Memorandum and Articles of Association (or equivalent), and the names and addresses of all directors and beneficial owners;
- vi) The Fund Manager/Placement Agent reserves the right to request further documentation or information from the investor as is required by the Know Your Customer (KYC) regulations, and

other requirements and regulations issued by the CBB from time to time on anti money laundering and terrorist financing.

SUBSCRIPTION AGREEMENT

The Fund Manager
 Global Investment House (K.S.C.C.)
 Global Tower, Al Shuhada'a Street, Al Sharq,
 P.O. Box : 28807 Safat, 13149 Kuwait

Telephone: +965 2 295 1000
 Facsimile: +965 2 295 1005

Dear Sirs,

1. I/We hereby agree to subscribe for units (the "Units") in Global Distressed Fund (the "Fund"), up to a value and on the terms set forth herein and in the Fund's Prospectus (the "Prospectus") being quarterly on the subscription day and subject to Global Distressed Fund Company B.S.C. (Closed) (the "Fund Company") Memorandum of Association (the "Memorandum") and Articles of Association (the "Articles") and the Instrument. I/We understand that capitalised terms used and not otherwise defined herein have the respective meanings ascribed thereto in the Prospectus
2. I/We understand that this subscription represents an irrevocable offer to subscribe for Units to a value set forth below, or such lesser value for which this subscription may be accepted, and may not be withdrawn I/We understand that the Board of Directors of the Fund Company (the "Board") reserves the right, in its sole discretion, to accept all, part or none of a subscription and to allocate Units among subscribing investors I/We understand that the subscription for Units hereby made, if accepted, will constitute a binding agreement between me/us and the Fund Company concerning the subject matter of this Subscription Agreement
3. I/We understand that the Fund has been registered by the Central Bank of Bahrain (CBB) as an "Exempt Collective Investment Undertaking (CIU) in accordance with the provisions of chapter 3 (Bahrain Domiciled Exempt CIUs) of the Collective Investment Undertakings rulebook, Volume 6 An Exempt scheme is not subject to restrictions on investments or asset classes in which it may invest, it is also not subject to concentration limits or limitation on leverage Accordingly, an Exempt Scheme is subject to higher risk factors
4. My/Our Units are to be registered as follows (name and full address PRINTED exactly as Units are to be registered):

Name(s) of Subscriber(s): _____

Nationality: _____ Occupation: _____

Address: _____

_____ Email: _____

Telephone: _____ Telex: _____ Fax: _____

Bahrain address for communications (where subscriber not resident in Bahrain)

Attention of: _____

Telephone: _____ Telex: _____ Fax: _____

Notes:

- i) This information will be listed in the Fund Company's Unit Holder register and will be used by the Fund Company when it sends all communications and materials relating to the Units (including written confirmations for my/our Units and reports on the Units and the Fund Company)
 - ii) All individual investors have the right of access to, and to update, all their records (whether held on computer files or manually) held by the Fund Manager/Placement Agent. A copy of such record will be provided to an investor who so requests it. Requests should be made in writing to Global Investment House (K.S.C.C.) at the address set out at the top of this Subscription Agreement
 - iii) Where the applicant is a financial institution, broker or other person applying to acquire Units on behalf of its individual client(s) the applicant represents and warrants that it has full power and authority on behalf of the individual investor to subscribe for Units and to execute any necessary subscription documentation, including this Subscription Agreement and, in particular but without limitation to the aforesaid, to make representation 16 below on behalf of such individual investor.
4. I/We hereby subscribe for Units up to a value of USD _____ including the Placement Fee, as per the net asset value per unit prevailing on the next Subscription Date, being quarterly on the Subscription Day.

I/We understand that I/we will not be issued with any Units until cleared payment is received I/We have arranged a telegraphic transfer for the total amount of my/our subscription in the sum set forth in (iii) above to the following account:

Bank Details:
 Citibank N.A., London
 SWIFT Code: CITIGB2L
 A/C Number: 12544067
 For credit to: Global Distressed Fund

Correspondent Bank Details:
 Citibank N.A., New York
 SWIFT: CITIUS33
 A/C No: 12544067
 CHIPS: none available
 IBAN: GB23 CITI 1850 0812544067

5. My/Our bank details are as follows (for any distributions):

Bank Name: _____

Address : _____

Telephone : _____ Fax : _____

Account Name : _____

Account No : _____ Sort Code : _____

Correspondent Bank and address _____

6. I/We agree that the following are continuous representations and that all further subscriptions for Units will be governed by them. I/We further agree to advise you promptly of any changes to the representations herein.
7. In connection with this subscription, I/we represent and confirm to the Fund Company as follows: (a) I/We acknowledge receipt of a copy of the Prospectus, (b) I/We have, prior to any sale to me/us, been given access and the opportunity to examine the Memorandum and Articles, the Instrument and other principal documents and the opportunity to ask questions of, and to receive answers from, the Fund Company's management concerning the terms and conditions of the Offering of the Units or any other matter set forth in the Prospectus, and to obtain any additional information (to the extent the Fund Company possesses such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of the information set forth in the Prospectus, (c) I/We have read and understood the Prospectus and that it is not intended to provide investment, tax, legal or accounting advice, (d) I/We have reviewed the Prospectus and the subject investment, with such financial, business, legal and tax advisors as I/we deemed necessary, and have determined that the subject investment is suitable in light of my/our financial condition and risk preferences, (e) I/We have requisite power and authority and, if the subscriber is a corporation, partnership, trust, estate or other entity, have been duly organised, are validly existing and in good standing in the relevant jurisdiction of organisation and have received all requisite corporate or other authorisation, in each case if applicable to make this subscription and to purchase and hold the Units in accordance with the terms of the Prospectus (and if applicable a true correct and complete copy of corporate resolutions or other evidence of such authorisation is attached hereto).
8. I/We hereby certify that (a) I/we understand and agree that the Units have not been registered or listed in any jurisdiction, (b) I am / we are over the minimum age of 21 years, (c) I am / we are not a restricted person, (d) I/we understand that the Units may not be offered, sold, transferred or delivered, directly or indirectly, to restricted persons, (e) I/we have obtained all necessary authorisations and licences required in order to subscribe for the Units and (f) to the best of my/our knowledge, neither this subscription nor the purchase of the Units by me/us will violate any securities or other laws of any jurisdiction and (g) I am/we are an Accredited Investor and satisfy the definition of an Accredited Investor as outlined in the Prospectus, as per document evidence attached hereto.
9. I/We understand that any certificate or other confirmation of registration of the Units shall contain a legend referring to the foregoing restrictions on ownership and transfer of the Units and that any attempted transfer in violation of such restrictions will be void and will not be recognised by the Fund Company.
10. I/We understand and agree that transfers of the Units may be made only to the extent permitted by the Prospectus.
11. I/We agree to indemnify the Fund Company against any liability or expenses incurred by the Fund Company in connection with any action, suit or proceeding resulting from, arising out of, or relating to any statement or any other action made by me/us in this Subscription Agreement or otherwise in connection with my/our subscription for Units hereunder.
12. I/We acknowledge that I/we will be solely liable and responsible for the payment of any stamp duties, transfer and other similar taxes, if any, imposed in connection with the purchase or transfer of the Units.
13. I/We acknowledge that the issuance, ownership and transfer of, and other rights and obligations pertaining to, the Units, are and will be governed by the Memorandum and Articles, and the Instrument, as from time to time amended, copies of which are available on request from the Fund Company and are on file at the Fund Company's principal office; NBB Tower, Building No 113, 19th Floor, Office 191, Government Avenue 383, Block 316, PO Box 855, Manama, Kingdom of Bahrain.

14. I/We understand that if for any reason my/our subscription is not accepted, in whole or in part, the remaining part of the subscription amount will be returned to me/us.

15. I/We understand that a statement of account in respect of the subscriptions for Units accepted by the Fund Manager/Placement Agent will be distributed within 14 days of the subscription.

16. For individual investors only:

I/We agree that:

- (a) Information supplied on this Subscription Agreement and otherwise in connection with my/our subscription for Units may be held by the Fund Manager and will be used for the purpose of processing my/our subscription and investment in the Fund and completion of information on the Register of unit holders of the Fund, and may also be used for the purpose of carrying out my/our instructions or responding to any enquiry purporting to be given by me/us or on my/our behalf, dealing in any other matters relating to my/our holding of Units (including the mailing of reports and notices), forming part of the records of the recipient as to the business carried on by it, observing any relevant jurisdiction (including any disclosure or notification requirements to which any recipient of the data is subject) and to provide a marketing database for product and market research or to provide information for the despatch of information on other products or services to me/us from the Fund Manager or any connected person of the Fund Manager. All such information may be retained after my/our Units have been redeemed
- (b) The Fund Manager may disclose and transfer such information to the Fund Company, and the Auditor, including any of their employees, officers, directors and agents and/or to the ultimate holding companies of the Fund Manager and/or its subsidiaries and/or affiliates or to any third party employed to provide administrative, computer or other service or facilities to any person to whom data is provided or may be transferred as aforesaid and/or to any regulatory authority entitled thereto by law or regulation (whether statutory or not) in connection with my/our investment in the Fund which persons may be persons outside Bahrain.

17 This Subscription Agreement shall be governed by and construed in accordance with the laws of the Kingdom of Bahrain.

IN WITNESS WHEREOF, the subscriber(s) has/have executed the Subscription Agreement on the date set forth below:

Investor's Signature Date Place of Execution

Investor's Signature Date Place of Execution

ACCEPTANCE

Global Distressed Fund Company B.S.C. (Closed) (the "Fund Company") hereby accepts the subscription by _____ to acquire Units in Global Distressed Fund as detailed below, upon the terms and conditions of the Subscription Agreement dated [_____] to which this Acceptance is attached and of which it is a part, and in exchange for an investment commitment set forth in this Subscription Agreement.

The details of the Units allocated to you and the total amount payable by you pursuant to this acceptance are as follows:

Number and value of Units allocated to you

are _____ Units x [] each = _____

Accepted on behalf of the Board of Directors of the Fund Company:

By : _____ Dated : _____

GLOBAL DISTRESSED FUND - REDEMPTION REQUEST

To:
 The Fund Manager
 Global Investment House (K.S.C.C.)
 Global Tower, Al Shuhada'a Street, Al Sharq,
 P.O. Box : 28807 Safat, 13149 Kuwait

Telephone: +965 2295 1000
 Facsimile: +965 2295 1005

Client number: _____ Client Name: _____

Nationality: _____ Civil ID/CRN: _____

Passport No. (for non-residents): _____

Address: _____ P.O. Box: _____

Telephone No: _____ Fax No: _____

*I/We hereby apply to redeem the following units of Global Distressed Fund, as per the net asset value per unit at the redemption price prevailing on the next Redemption Date (being annual on the valuation day) following receipt of this Redemption Request by the Manager. (Please fill in either number of units to redeem or total amount to redeem)

Number of units held:

Number of units to redeem: _____

Amount to redeem: _____

Mode of Payment: _____

Please settle the total amount redeemed as follows :

Transfer the amount to my/our account I Bank name: _____

Account Number: _____ Country: _____

Account Currency: _____ Correspondent Bank: _____

Subscribe on my/our behalf in _____

(attach application)

Settle my/our outstanding interest _____

Close Loan Number: _____

Close my/our outstanding capital call on _____

Other (_____)

Please forward to *me/us a statement of account for the balance of the Units (if any).

Signed _____

Dated _____

Signature Verification _____

(either a bank, registered broker, notary public or Justice of the Peace)

Notes:

- a) In the case of joint holders, all must sign
- b) A body corporate must sign by a duly authorised officer and the redemption request must be supported by a covering letter on headed notepaper
- c) If a number of Units is not specified, all the Units will be redeemed
- d) Delete items marked * as appropriate
- e) Where the redemption request is sent by fax, the original must follow by post and redemption proceeds will not be paid until the original request has been received. The Manager accept no responsibility for any loss arising in connection with non-receipt of the original fax transmission.
- f) The minimum notice period for redemptions is 120 days before the relevant Valuation Day. If a request for redemption received by the Fund Manager is 120 days prior to the Redemption Date, the redemption shall be processed as of the next Redemption Date. However, a request for redemption received within 120 days prior to the relevant Redemption Day, would be processed as of the following Redemption Date. Any increase or decline in Net Asset Value from the date a request for redemption is given until the relevant date on which Net Asset Value per Share Unit is determined will be reflected in the redemption price.
- g) Redemption proceeds shall be paid to Unitholder account only.

For official use only

Number of units to be redeemed: _____

Net Asset Value price: _____

Amount redeemed: _____

Value date: _____