

Friday 3 July 2009

Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By e-lodgement

Dear Sir/Madam

NINTH AND TENTH QUARTERLY DIVIDENDS

The Directors of The ARK Fund Limited (**ARK or Company**) are pleased to announce that ARK's ninth and tenth consecutive quarterly dividends will be paid together to all those shareholders of ARK on the record as at 5.00pm WST on Friday 17 July 2009 (**Record Date**).

Ninth Dividend – 1 October 2008 to 31 December 2008

A total cash dividend sum of \$418,638 will be paid in relation to the quarter commencing 1 October 2008 and ending on 31 December 2008. The dividend that shareholders will receive will be **fully franked** and equates to a dividend of 1.75 cents per share on a post tax basis or 2.5 cents per share on a pre-tax basis. The dividend will be received by shareholders by 23 July 2009. The dividend contains no foreign sourced income and accordingly there is no conduit foreign income.

Tenth Dividend – 1 January 2009 to 31 March 2009

A total cash dividend sum of \$418,638 will be paid in relation to the quarter commencing 1 January 2009 and ending 31 March 2009. The dividend that shareholders will receive will be **fully franked** and equates to a dividend of 1.75 cents per share on a post tax basis or 2.5 cents per share on a pre-tax basis. The dividend will be received by shareholders by 23 July 2009. The dividend contains no foreign sourced income and accordingly there is no conduit foreign income.

Cash Payment

The total cash payment of 3.5 cents per share equates to delivering an annualised pre-tax dividend yield of 15.15% based on a share price of \$0.66. The total cash dividend sum of \$837,276 will be paid pari passu to the holders of all shares in ARK which as at the Record Date will total to 23,922,149 shares. ARK has no other securities of any kind on issue.

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Timetable

Pursuant to Appendix 6A of the ASX's Listing Rules, the timetable is as follows:

EVENT	DAY
ARK announces dividend and Record Date and its shares are quoted on a "cum" basis	Friday 3 July 2009
Shares are quoted on an "ex" basis 4 business days before the Record Date	Monday 13 July 2009
Record Date	Friday 17 July 2009
Date of Dividend Payment	Thursday 23 July 2009

Production by Shareholders of Tax File Number

The dividend will be received by shareholders by 23 July 2009. In order for shareholders to not have tax deducted from their dividend payments at the rate of 46.5%, shareholders will need to provide their tax file number to the share registrar of ARK prior to the despatch of these dividend payments.

We request all shareholders to immediately contact ARK's share registrar (if they have not already done so) to provide their tax file number. The contact details of the Company's share registrar are as follows:

Security Transfer Registrars Pty Ltd
 Alexandra House
 770 Canning Highway
 Applecross WA 6153
 Australia

Telephone: +61 8 9315 2333
 Facsimile: +61 8 9315 2233

Rewards Group

ARK's tenant in respect of all of its 32 leased properties is Rewards Group Limited (**Rewards**). Rewards has paid all its lease rental obligations for the period to 30 June 2009 on these 32 properties but after having set-off the sum of \$375,000 (ex GST) being the total amount of supplemental revenue payments paid by Rewards to ARK between 1 July 2008 and 30 November 2008. These supplemental revenue payments were made subject to various stipulated conditions and subject to the application of these conditions (such as applicability to be determined over the next month) part or all or none of this \$375,000 (ex GST) may have to be paid by Rewards to ARK.

Debt Position and Cost

ARK's gearing remains at 56.5% and its long term (10 year) debt facility with the NAB (maturing in February 2017) currently remains 100% variable (**Facility**).

Unfortunately, the current all up cost of the Facility has increased to 6.46% per annum. This is a result of:

- NAB re-assessing the facility fee to 2.5% per annum up from a blend of 1% and 1.25% per annum; and
- An increase in the 30 Day Bank Bill Swap (**BBSW**) from 3.11% (for the purposes of the company's previous Company Update being the rate at 20 May 2009) to the current 30 day BBSW of 3.45% (at Tuesday 30 June 2009).

Based on the current 30 day BBSW rate of 3.45%, the annualised cost of the \$33,259,744 Facility is now as follows:

Cost of Facility	Annualised	Rate (% p.a.)*
Bank fees (including accrued setup costs)	\$36,500	0.11%
Weighted Average Facility fees (2.5% margin)	\$831,494	2.59%
Interest charge (30 Day BBSW + 0.3% margin)	\$1,202,159	3.75%
Total Cost of Facility	\$2,070,153	6.46%

* Based on a discounted Face Value of \$32,057,585.

The Board of ARK previously advised that it was monitoring interest rate movements with the intention of entering into a SWAP programme in the near future which would in effect 'lock in' an interest rate for a set number of years on a portion of the Facility. To date no SWAP programme has been entered into.

The current weighted average income yield on ARK's 32 leased properties (based on their acquisition cost) is approximately 11% per annum. This creates a 'positive carry' between this rental yield and the current annualised 6.46% cost of the debt facility with NAB of approximately 4.54% per annum.

Yours faithfully
THE ARK FUND LIMITED



John D. Kenny
Chairman