

Friday 31 October 2008

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

By e-lodgement

Dear Sir/Madam

**ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2008
APPENDIX 4C**

During the quarter there has been a material impairment in the orderly functioning of debt capital markets which has been widely reported. It is pleasing to note that ARK's debt facility with the NAB is **a long term facility** (10 years) and currently remains 100% variable. Accordingly, ARK has no requirement to refinance or roll over any of its debt facility during this period of turbulence in debt capital markets. In addition, with the cost of variable debt rapidly falling this will result in a lower cost base for ARK for the financial year ending on 30 June 2009. If the cost of debt falls to historically low levels by May of next year, the opportunity for ARK to fix the interest rate on its debt position at these low cost levels will be available.

The recent state of equity and debt capital markets has led to the price of many asset classes to fall. The market however for agricultural land in Australia (particularly land situated outside the Murray Darling Basin) remains buoyant. ARK is seeking to deploy capital (both equity and debt) to buy agricultural land that rises in value. The basic fundamentals that underpin ARK's business strategy remain strong. The pace however at which ARK executes this strategy will be greatly slowed for the financial year ending on 30 June 2009 due to the poor state of equity and debt capital markets. The Board of The ARK Fund expects the year ahead to be a difficult one for both equity and debt capital markets and therefore it expects ARK's growth rate to be curtailed for the remainder of the 2009 financial year.

Operating Profit

During the quarter that ended on 30 September 2008, the ARK Fund Limited (**ARK or Company**) generated an operating profit before tax (but after interest expense) of \$799k from gross revenues of \$1.84 million.

Investment Portfolio

During the quarter ARK's investment portfolio generated a gross rental income of \$1.46 million with rents having been increased between 2.8 – 4.2% from 1 July 2008 in accordance with the lease terms. This rental return is equivalent to generating a gross yield on the cost of its investments of approximately 11% per annum.

The ARK Fund Limited
ABN 93 009 204 175

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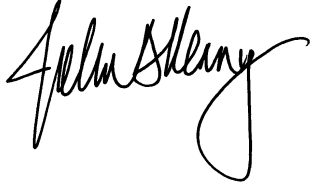
E: ark@thearkfund.com.au

W: www.thearkfund.com.au

Appendix 4C

Please find following ARK's Appendix 4C for the quarter ending on 30 September 2008.

Yours faithfully
THE ARK FUND LIMITED

A handwritten signature in black ink, appearing to read 'John D. Kenny', written in a cursive style.

John D. Kenny
Chairman

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

THE ARK FUND LIMITED

ABN

93 009 204 175

Quarter ended ("current quarter")

30 SEPTEMBER 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 Months) \$A'000
1.1 Receipts from customers	1,601	1,601
1.2 Payments for		
(a) staff costs		
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other working capital	(769)	(769)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	9	9
1.5 Interest and other costs of finance paid	(592)	(592)
1.6 Income taxes paid		
1.7 Other		
- Ord Orchards Land Unit Trust distribution;	328	328
- Rewards: income guarantee receipt; and	365	365
- Other	19	19
Net operating cash flows	961	961

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (3 Months) \$A'000
1.8 Net operating cash flows (carried forward)	961	961
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets	(21)	(21)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities	1,609	1,609
1.13 Other (provide details if material)		
Net investing cash flows	1,588	1,588
1.14 Total operating and investing cash flows	2,549	2,549
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	0	0
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	0	0
1.18 Repayment of borrowings	0	0
1.19 Dividends paid	0	0
1.20 Other (share issue & div'd costs)	0	0
Net financing cash flows	0	0
Net increase (decrease) in cash held	2,549	2,549
1.21 Cash at beginning of quarter/year to date	230	230
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	2,779	2,779

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	436
1.25	Aggregate amount of loans to the parties included in item 1.11	0

1.26 Explanation necessary for an understanding of the transactions

- 1.24: Directors fees (2 non-executive directors) – S Price and M Loftus - \$20k for the quarter. ARK Capital Pty Ltd management fee of \$416k for the year ended 30 June 2008.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	38,000	33,260
3.2 Credit standby arrangements		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,779	230
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	2,779	230

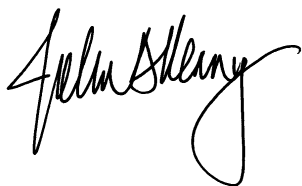
+ See chapter 19 for defined terms.

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Friday 31 October 2008

Sign here: Date:
 (Chairman and Managing Director)
 Print name: John D Kenny.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.