

S.A.F.E. Management LLC

Secure Acquisition Financial Entity LP

July 20, 2006

Dear **S.A.F.E. Investor,**

Enclosed please find the first monthly account statement issued on behalf of your investment in the S.A.F.E. Fund. It remains our intent to provide your monthly statements as quickly as possible after the month close, however, it is imperative that our statements are complete reflecting our positions from all our brokerage accounts. The FolioFN statements were received on July 18th representing the last detail we needed to prepare your individual account activity.

As you may be aware, the overall market condition has been in a downward trend since the opening of our fund on May 1st, 2006. An increase in interest rates, ("Interest Rate Fears Drive World-Wide Slide" Wall Street Journal 6/14/06 P. C1), the North Korean ballistic missile threat, and the significant increase in oil prices during the May June period has created losses across all sectors. While we know our "operational cash flow strategy" is a long term plan for growth despite immediate market conditions, we also believe a defensive strategy is necessary during a period of unrest.

As a result we took the following defensive steps during this timeframe:

- On June 13th, 2006 we moved our Large, Mid and Small Cap portfolios to cash
- We moved back into our Large, Mid and Small Cap portfolios investment position on July, 19th, 2006
- We maintain a 32% position in cash as of the date of this communication
- We are considering a "short" position in the market through the use of the recently announced "UltraShort ETFs" traded on the American Stock Exchange ("ProShares Launches Four New UltraShort ETF's to Trade on the AMEX" PR Newswire 7/13/06.) These ETF's seek investment results that are twice the inverse of the indices.

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While our June performance of -6.7% after expenses clearly does not meet our expectations, we believe the defensive moves implemented minimized the losses experienced by the market during the same period.

Index	May-June Performance
Dow	-1.70%
S&P 500	-2.34%
NASDAQ	-5.76%
Russell 2000	-2.90%

* The performance of the indices does not take into account brokerage fees or expenses

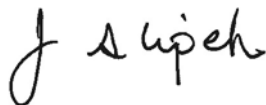
As we move into July, we look forward to a more stable position in our Large, Mid and Small Cap portfolios. Our long term outlook is optimistic based upon our investment strategy that "selects the strongest companies based upon true operational cash flow" which allows these companies to withstand down economic trends.

As the current conditions of war, oil shortages, interest rates and general fear continue to dominate the financial news, we believe a solid investment strategy, a balanced portfolio, and a preservation of capital will provide us the annual fund performance we seek.

We appreciate your investment in SAFE and as your partner in this endeavor, we believe that the health of any company must be based on the truth. Cash from core business operations gives us this truth and we believe this investment methodology will prevail.

Please feel free to contact us directly with any questions or comments.

Sincerely,



John O. Slipek
Investment Manager
Secure Acquisition Financial Entity, LP (SAFE Fund)

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