

S.A.F.E. Management LLC

Secure Acquisition Financial Entity LP

August 9, 2006

Dear S.A.F.E. Investor,

As we enter into the third quarter of 2006, we continue to experience erratic downward movements in the market. As your fund manager, we know the importance of investments in fundamentally strong companies, however, we also recognize our portfolio will continue to mirror the overall short term trends. In response to this we have made several investments utilizing the discretionary portion of our funds under management. Following are the highlights of two of the larger investments we made.

We purchased publicly traded shares of **CytRx Corporation** Symbol:CYTR which is a biopharmaceutical company located in Los Angeles California engaged in the development of high value therapeutics utilizing its core technologies of RNAi drug discovery and DNA vaccines. It is important to note that a few days after we made this purchase, CytRx was added to the Russell Microcap index.

Our second featured transaction offered us the opportunity to purchase unrestricted private shares of **TRS (The Retirement Solution)** which we believe will commence trading over the next few months. TRS is the company responsible for the distribution and sales of the StockDiagnostic™ proprietary software platform that we use as our trading methodology for the S.A.F.E. fund. Many of our investors asked us if we would be able to invest in this and we are pleased to have been able to take advantage of this offering on behalf of our fund.

Our "Cash Flow" portfolios are beginning to show slightly positive performance for the month. This performance coupled with the more aggressive transactions detailed above provide us an optimistic outlook for the latter part of this year.

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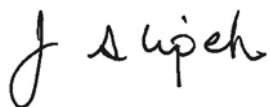
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On August 9th the Federal Reserve announced it was leaving the federal funds rate unchanged at 5.25%, marking the first time it has skipped raising rates since it began a two-year credit tightening drive in June of 2004. This is an indication that the 17 consecutive rate increases will be enough to contain inflation. While many economists believe we will see at least one more rate increase, they also agree with the Fed's basic forecast of "slower growth, but no recession and lower inflation rates."

The S.A.F.E. Investment fund takes a diverse approach to securities by distributing our investments over as many as 250 different companies. On August 7, 2006 an article by Jeremy Siegel, PhD titled *"The Future for Investors: The Next Wave of Index Investing"* states *"Investments linked to indexes have historically outperformed most actively managed portfolios."* We are on the forefront of what the "experts" are predicting is the investing wave of the future.

As a S.A.F.E. investor, you will continue to receive monthly statements but our investor letter will be included on a quarterly basis from this point forward. As such, our next client update communication will be included with your September statement which you will receive during mid to late October.

If you would like to review information on our trading methodology please feel free to visit our private website which is now live at www.safeinvestmentfund.com and enter the Username: **SAFEFUND** Password: **SAFE1**. We look forward to the upcoming months and thank you for your investment in the S.A.F.E. Fund.



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