

S.A.F.E. Management LLC ***Secure Acquisition Financial Entity LP***

December 14, 2006



Dear S.A.F.E. Investor,

It has been quite a ride since our last communication! We have experienced major milestones both in the overall market and in our SAFE fund. We saw the ***DOW close over the 12000 mark*** for the first time in history on October 19th which, ironically, was the 19th anniversary of the "crash of 1987." Along with the strong market news, we are pleased to announce that SAFE Management, the general partner of the SAFE Fund officially received ***"Registered Investment Advisor"*** status as of November 21st. We have set specific goals for the SAFE fund and its growth, as we reach these goals we take pride in sharing our progress with you - our SAFE fund investors.

October and November gave us the opportunity to continue to balance the SAFE portfolio. While the majority of our fund is invested in our three "cash-based" folios, (Large, Mid and Small Cap) we believe a balanced use of discretionary funds will provide an investment vehicle that allows growth without taking an over weighted position in any one sector. As such, SAFE will add a fourth folio comprised of two low cost index funds: ***US Bonds and International companies***. The strategy is simple without being simplistic. Diversification tempers the adverse impact of aggressive market fluctuations. We follow this philosophy so our investments do not rise and fall simultaneously. The flip side of course is that diversification can limit upside gains.

Why are we constantly managing the mix? Studies have shown that achieving long-term investment goals depends mostly on three factors: 1) allocation across investment classes, 2) low costs and 3) a patient time line. Our objective remains consistent: ***"A diversified fund predominantly in well-managed companies coupled with minor holdings in aggressive growth areas allowing consistent performance with upside potential."*** Our investors enjoy the ability to own more than 250 securities while participating in IPO's, emerging growth, and now broad index sectors. Your investment in SAFE goes a long way and by sharing expenses across the fund, your costs remain low. So how does SAFE measure up against the findings? We can deliver allocation across investments and low costs but, only you can provide the patient timeline.

41 Highway 34 South Suite 209
Colts Neck, NJ 07722
Toll Free: 1-888-514-SAFE (7233)
Fax: 732-889-4307
www.safeinvestmentfund.com

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As a "private investment fund," more commonly termed a "hedge fund," we know the news is not always good. *"Despite Blue-Chip Gains, Hedge Funds Increasingly Are Faltering and Closing" WSJ, 10/4/06* reported that more than 1,000 hedge funds have closed over the last two years. Vega Asset Management, Amaranth Advisors and Narragansett Management have all announced return of investments or sale of assets. A marketing executive at Vega stated, *"We're obviously not pleased about the deep losses but to make money you have to take risk."* This investment attitude is prevalent in the hedge fund arena. While the SAFE Fund is categorically a "hedge fund," we do not share this investment style. We do not benchmark our performance against these aggressively managed funds and our investors are always aware of our diversified investment strategy. Many of these large funds took over weighted aggressive positions in one sector. The WSJ article states: *"Even some veteran managers, in a bid to boost returns, have made concentrated bets that have backfired."*

While the SAFE Management team has the ability to make certain "bets," our balanced philosophy minimizes the risk to the overall fund. We remain committed to a consistent methodology with an objective of long term performance while still sharing in the positive potential of specific market opportunities. *On behalf of entire SAFE staff, we wish you a Happy Holiday Season while we continue to work on delivering a Prosperous New Year!*

P.S. We hope you will share information about the SAFE fund with your associates as we look to continue to grow our family of investors.

Sincerely,



Annette Raynor
Investment Manager
Secure Acquisition Financial Entity, LP (SAFE Fund)

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