Fonds de revenu Benvest

NEWLOOK

Income Fund

Quarterly Report

For the three-month and the six-month periods
ended June 30, 2006

Message to Unitholders

Results for the 2nd quarter ended June 30, 2006

To our unitholders,

Revenues grew during the second quarter of 2006 to $12.0 million, an increase of 17.9%, while EBITDA (as defined in the Management Discussion and Analysis) increased 41.4% to $1.6 million compared with last year.

Comparable stores sales, during the second quarter, increased 9.6% while new stores sales and other income increased total revenues by 8.3% compared with last year.

For the six-month period ended June 30, 2006 revenues rose 14.4% to $23.8 million, while EBITDA increased 27.8% to $3.4 million compared with last year.

Comparable stores sales during the six-month period were up 8.0 %, while new stores sales and other income increased total revenues by 6.4% compared with last year.

Earnings before non-recurring items and income taxes for the second quarter and the six-month period of 2006 were $769,000 and $1.8 million respectively, compared with $634,000 and $1.6 million in 2005.

Net earnings for the second quarter and the six-month period were $628,000 and $1.5 million respectively (or $0.064 and $0.151 per diluted unit), compared with $508,000 and $1.5 million (or $0.053 and $0.155 per diluted unit) for the corresponding periods of last year. Last year included several major non-recurring items which positively affected net earnings.

Highlights during the quarter were as follows:

- During the quarter, three new stores were opened:
  - In St-Romuald (South of Québec City),
  - In Montreal (Galeries d'Anjou) and
  - In Ottawa (Merivale).
- The Pointe-Claire store was renovated at the end of the quarter.
- New Look collected $2.3 million of the escrowed amounts held as a result of the sale of its equity interest in CMN.

The total number of stores at June 30, 2006 was 49 compared to 41 a year earlier. New Look intends to open 3 additional new stores by year-end and will complete 2 major renovations of existing stores during the second half of the year.

We are satisfied with the initial results of our store expansion and improvement program and with the contributions of our 13 new or relocated stores opened over the past year. The new stores should continue to improve as we develop the optometric practices in these stores.

Overall operating efficiencies resulted in a more favourable EBITDA to revenues ratio, increasing to 13.5% in the second quarter of 2006 from 11.3% in the previous year. For the six-month period of 2006, the ratio was 14.4% compared with 12.9% in 2005.

During the second quarter of 2006, the monthly distribution per unit was $0.0416 (an annual rate of $0.50) for the month of April and was increased to $0.0458 (an annual rate of $0.55) for the months of May and June. This is the second increase in distribution rate since the inception of the Fund in May 2005, which represents a 22% increase over the initial distribution rate.

During the same period, holders of each exchangeable share received a dividend equivalent to the distribution per unit after taking into consideration income taxes payable by New Look Eyewear Inc.

New Look continues to focus on its strategy of increasing market share through opening new stores, updating existing ones, acquisitions if the right opportunity is available and improving operating efficiency. We believe that superior service is a major part of our success and we are actively adding to our team of independent optometrists, opticians and professional staff in order to continue to be a leader in customer service.

W. JOHN BENNETT
Chairman & Trustee
Benvest New Look Income Fund and
Chairman & Director
New Look Eyewear Inc.

C. EMMETT PEARSON
Trustee
Benvest New Look Income Fund and
Director & President and Chief Executive Officer
New Look Eyewear Inc.

2006

Management's Discussion and Analysis

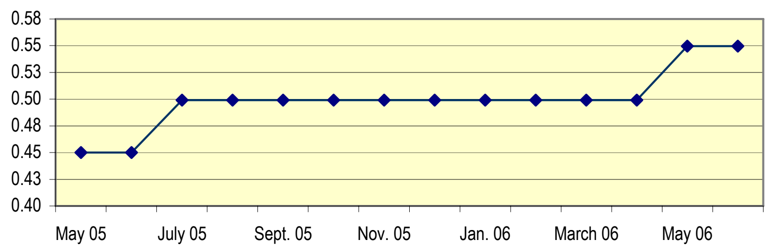
For the three-month and the six-month periods ended June 30, 2006

Highlights

In thousands of dollars, except per unit, or share amounts

	Second Quarter		Year to date	
	2006	**2005**	**2006**	**2005**
Total revenues	**$ 11,976**	$ 10,156	**$ 23,813**	$ 20,820
Growth	***17.9%***		***14.4%***	
Comparable stores sales growth	***9.6%***		***8.0%***	
EBITDA(1)	**$ 1,620**	$ 1,146	**$ 3,427**	$ 2,682
Growth	***41.4%***		***27.8%***	
% of total revenues	***13.5%***	*11.3%*	***14.4%***	*12.9%*
Net earnings	**$ 628**	$ 508	**$ 1,477**	$ 1,488
% of total revenues	***5.2%***	*5.0%*	***6.2%***	*7.1%*
Net earnings per unit (diluted)	**$ 0.064**	$ 0.053	**$ 0.151**	$ 0.155
Cash distribution per unit or share	**$ 0.133**	$ 0.075	**$ 0.258**	$ 0.075
Total assets - Eye care segment			**$ 28,433**	$ 28,531
Long-term debt			**$ 3,825**	$ 5,145
Number of stores			**49**	41

Monthly distributions (on an annualized basis)



(1) See the heading EBITDA for more details.

Background

Management's discussion and analysis ("MD&A") relates to the financial conditions and results of operations of Benvest New Look Income Fund (the "Fund"), together with those of its subsidiary, New Look Eyewear Inc. ("New Look").

The Fund was created pursuant to a plan of arrangement that became effective May 1, 2005 (the "Arrangement"). The Fund owns all of the outstanding securities of New Look, except its exchangeable shares. New Look is a corporation governed by the Canada Business Corporations Act and has resulted from the amalgamation of Benvest Capital Inc. ("Benvest") and certain other corporations pursuant to the Arrangement. The business carried on by Benvest and its subsidiaries prior to the Arrangement is now carried on through the Fund and New Look.

Prior to the completion of the Arrangement, Benvest was a reporting issuer and its shares were listed on the Toronto Stock Exchange ("TSX"). Effective May 1, 2005, units of the Fund have replaced the shares of Benvest on the TSX.

The unaudited comparative financial data are drawn from the consolidated results of the former entities, Benvest and its subsidiaries, for the same periods of last year. This presentation reflects the adoption by the Fund of the continuity of interests method of accounting.

This MD&A provides prospective data, comments and analysis wherever appropriate to assist readers in viewing the business from a corporate management's point of view.

All financial information reflected herein is expressed in Canadian dollars (unless otherwise indicated) and determined on the basis of Canadian generally accepted accounting principles. You should read the following discussion and analysis together with the interim consolidated financial statements for the period ended June 30, 2006 and with the December 31, 2005 year-end consolidated financial statements of the Fund.

Additional information relating to the Fund and New Look can be found on the website www.newlook.ca. The Fund's continuous disclosure materials and the disclosure materials of Benvest, including its annual and quarterly MD&A, annual and quarterly financial statements, the December 31, 2005 year-end consolidated financial statements of the Fund, annual information forms, proxy solicitation and information circulars and various press releases issued by Benvest and the Fund are also available directly through the SEDAR system at www.sedar.com.

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Our business

New Look, the Fund's operating subsidiary, is a leading provider of eye care products and services in the Eastern Canada. As of June 30, 2006, its network consisted of 49 eye care stores: 45 are located in the major cities of the province of Québec and four serve the Ottawa area in Ontario. New Look is the only eyewear retailer in Eastern Canada to operate a complete eyewear transformation laboratory which is located in St-Laurent, Québec.

Approval of the financial statements

The Fund's interim consolidated financial statements for the period ended June 30, 2006 have been approved by its Board of Trustees.

Accounting policies

The interim consolidated financial statements of the Fund for the period ended June 30, 2006 are consistent with the policies and methods of application outlined in the audited consolidated financial statements of the Fund for the fiscal period ended December 31, 2005. These policies and methods include the continuity of interests method of accounting. Under this method, the Fund is considered to be the continuation of Benvest and hence, the comparative amounts relate partly to former Benvest and its subsidiaries.

Revenues from eye care

Revenues from eye care operations for the quarter ended June 30, 2006 were $11,679,000 compared with $9,945,000 for the three-month period ended June 30, 2005, an increase of 17.4%. Of that increase, 9.6% was due to increases in comparable stores sales and 7.8% was attributable to the incremental sales generated by the net addition of 8 stores opened since April 2005.

For the six-month period ended June 30, 2006, revenues from eye care grew 14.2% to $23,250,000 from $20,364,000 in the comparable period of 2005. Of the 14.2% increase, 8.0% was due to increases in comparable stores sales and 6.2% was attributable to the incremental sales generated by the net addition of 8 stores opened since January 2005.

Fees, interests and other income

Increases in fees, interest and other income in the amount of $86,000 for the quarter and $107,000 for the six-month period ended June 30, 2006 are mainly attributable to the recording of interest on the escrowed proceeds from the sale of a portfolio investment.

Cost of goods sold, operating, selling and administration expenses

Cost of goods sold, operating, selling and administration expenses includes product related costs and laboratory expenses, store operation expenses, marketing and administration expenses. These expenses, expressed as a percentage of total revenues, decreased in the second quarter of 2006 to 86.5% from 88.7% in 2005 and in the six-month period ended June 30, 2006 decreased to 85.6% from 87.1% in 2005.

These improvements are due to achieving economies of scale as a result of sales growth in the second quarter and in the six-month period ended June 30, 2006. Decreases, as a percentage of sales, of stores salaries and administration expenses explain the majority of the savings.

EBITDA

Consolidated earnings before amortization, financial expenses, income trust expenses, gain and loss on foreign currency translation, income taxes and non-controlling interest ("EBITDA") was $1,620,000 for the quarter ended June 30, 2006, an increase of $474,000 or 41.4% compared with the corresponding period of last year. This improvement is due to an increase in sales and contribution from the comparable stores, the incremental contribution to profit of the new stores and control of the administration costs.

Consolidated EBITDA was $3,427,000 for the six-month period ended June 30, 2006 compared with $2,682,000 for the corresponding period of last year, an increase of 27.8%. This increase is mainly due to the sales growth mentioned above.

EBITDA is not a recognized measure under Canadian generally accepted accounting principles (''GAAP'') and may not be comparable to similar measures used by other companies. The Fund believes that EBITDA is a useful financial metric as it represents a starting point in the determination of cash available for distributions to unitholders and for dividends to holders of exchangeable shares. Investors should be cautioned that EBITDA should not be construed as an alternative to net earnings as determined in accordance with GAAP.

Amortization

Amortization expenses rose to $717,000 and $1,361,000 respectively for the second quarter and the six-month period ended June 30, 2006, compared with $467,000 and $929,000 for the corresponding periods of last year. The increases are mainly due to the addition of 13 new stores, the major renovation of 4 stores and the acquisition of laboratory equipment since January 2005.

Financial expenses

Financial expenses totalled $134,000 and $269,000 respectively for the second quarter and the six-month period ended June 30, 2006, compared with $45,000 and $180,000 for the corresponding periods of last year. The expenses relates principally to interest on long-term debt. The interest savings arising from the debt reduction during both periods were offset by higher interest paid on a CA $3.3 million term loan converted into US dollars in December 2005. The purpose of the transaction was to create a financial hedge against the impact of foreign exchange fluctuations on US dollar-denominated assets.

For the three-month and the six-month periods ended June 30, 2006

Gain and loss on foreign currency translation

Losses on foreign currency translation amounted to $54,000 and $67,000 respectively in the second quarter and the six months of 2006, compared with gains of $176,000 and $677,000 in the corresponding periods of 2005. Gains and losses on foreign currency translation are due to the impact of the fluctuation of the US dollar vis-à-vis the CA dollar on the net assets denominated in US dollar. The value of the US dollar decreased from CA $1.163 on December 31, 2005 to CA $1.116 on June 30, 2006. The risk associated with the foreign currency fluctuation was significantly reduced in 2006 following the conversion in December 2005 of a CA $3.3 million term loan into US dollars and the use of foreign exchange contracts. As of June 30, 2006, the Fund had $2.0 million of net assets denominated in US dollars.

Income taxes

The Fund is a mutual fund trust as defined under the Income Tax Act (Canada) and as a result, is not subject to taxation on its income to the extent that it is distributed to unitholders.

The income tax expense relates essentially to New Look for the quarter and the six-month period ended June 30, 2006 and partially to Benvest and its former subsidiaries (including Lunetterie New Look International Inc.) for the corresponding periods of last year. The consolidated effective tax rate for the six-month period ended June 30, 2006 was 14%, which reflects the adoption of an income trust structure.

Future income tax assets increased by $53,000 since April 30, 2006. This increase was mainly attributable to tax losses related to the tax on dividends paid on the exchangeable shares.

The recovery of income taxes in the corresponding periods of 2005 was attributable to tax losses.

Net Earnings

Net earnings reached $628,000 and $1,477,000 respectively for the second quarter and the six-month period of 2006, compared with $508,000 and $1,488,000 for the corresponding periods of 2005. In the second quarter of 2006, the earnings before the one-time expenses related to the conversion into an income trust, loss on foreign currency translation, income taxes and non-controlling interest amounted to $769,000 compared with $634,000 in 2005, an increase of 21%. For the six months of 2006, they were $1,797,000 compared with $1,573,000 in 2005, an increase of 14%.

Summary of quarterly results

The following table summarizes quarterly results for the 12-month period ended June 30, 2006, compared with the corresponding quarters of the previous 12-month period ended June 30, 2005. The unaudited quarterly consolidated results are presented on the same basis as in the December 31, 2005 year-end consolidated financial statements of the Fund. The three-month periods presented below do not necessarily correspond to the quarters used in the previously published reports.

Unaudited - In thousands of dollars except per unit and per share amounts

	September 30,		December 31,		March 31,		June 30,		12 months June 30,	
	2005	2004	2005	2004	2006	2005	2006	2005	2006	2005
Total revenues	11,218	10,749	11,768	10,049	11,837	10,657	11,976	10,156	46,799	41,611
As a % of annual revenues	*24%*	*26%*	*25%*	*24%*	*25%*	*26%*	*26%*	*24%*	100%	100%
EBITDA	1,749	1,712	1,427	1,235	1,807	1,536	1,620	1,146	6,603	5,629
As a % of total revenues	*15.6%*	*15.9%*	*12.1%*	*12.3%*	*15.3%*	*14.4%*	*13.5%*	*11.3%*	*14.1%*	*13.5%*
Gain (loss) on foreign exchange	(555)	155	(99)	(17)	(13)	501	(54)	176	(721)	815
Net gain (loss) on portfolio investments			(2,903)	7,776					(2,903)	7,776
Income trust expenses								(1,192)		(1,192)
Net earnings (loss)	554	831	(2,334)	6,871	849	980	628	508	(303)	9,190
Net earnings (loss) per share/unit										
Basic	0.058	0.089	(0.243)	0.732	0.088	0.104	0.065	0.054	(0.032)	0.979
Diluted	0.057	0.089	(0.243)	0.731	0.087	0.101	0.064	0.053	(0.035)	0.973

Note: The above financial results are presented for information purposes only. The quarter ended June 30, 2005 includes three months of operations contrary to the interim consolidated earnings filed last year, which covered two months of operations, due to a change in year-end.

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Liquidity

Cash flows from operations were $2,500,000 for the six-month period ended June 30, 2006. Excluding the non-cash working capital items ($496,000), they amounted to $2,996,000. Non-cash working capital items included an increase in inventory related to the addition of 5 stores since December 31, 2005.

In May 2006, New Look received $2,342,000 (US $2,108,000) out of a total of US $3 million held in escrow pursuant to the sale in 2004 of a portfolio investment. The balance of the funds, in the amount of $994,000 (US $890,000), was reclassified as a long-term asset. It remains in escrow pending the review and negotiation of certain potential claims against the escrow. At this time, it is not possible to ascertain the actual outcome of such review and negotiations, but management expects that such claims will not have a significant impact on the amount receivable.

Capital expenditures amounted to $1,104,000 and $2,541,000 respectively in the quarter and the six-month period ended June 20, 2006. These amounts were related to the opening, relocation and renovation of stores as well as the acquisition of new optical equipment.

Repayment of long-term debt amounted to $319,000 and $597,000 respectively in the second quarter and the six-month period ended June 30, 2006. In addition, $1,150,000 of short-term debt was reimbursed in the first quarter of 2006.

The Fund and its subsidiary New Look paid distributions to unitholders and dividends to holders of exchangeable shares totalling $1,119,000 and $2,236,000 respectively in the second quarter and the six-month period ended June 30, 2006. June 2006 distributions and dividends were accrued and paid on July 20, 2006.

As of June 30, 2006, the unutilized credit facilities available to New Look amounted to $11 million.

Cash flows from operations, together with cash and cash equivalents on hand, the escrowed proceeds from the sale of a portfolio investment, and the credit facilities are expected to be sufficient to meet operating requirements, maintenance capital expenditures, expansion capital expenditures and anticipated dividends and distributions. As at June 30, 2006, New Look was in compliance with all covenants in its notes payable and its obligations under capital leases.

Advances and accounts receivable from a portfolio company

The advances and receivables (net of provisions) from a portfolio company, The Fitness Company ("TFC"), grew to US $3,317,000 (CA $3,702,000) as of June 30, 2006 from US $3,006,000 (CA $3,497,000) as of December 31, 2005. These loans are due March 23, 2009 with interest payable annually commencing on April 30th 2007. The increase is due to the accrual of interest and financing fees on the loans and receivables and additional advances in the amount of US $125,000.

This remaining portfolio investment, related to the former merchant banking activities of Benvest Capital Inc., is held for sale and it's equity investment is carried at a nil value since December 31, 2005. It is the intention of the Fund to sell its 80% equity interest in TFC and to collect the loans and receivables from TFC.

Distributions and dividends on exchangeable shares

Distributions declared to unitholders and dividends declared to holders of exchangeable shares were as follows since May 1, 2005.

In thousands of dollars except per unit and per share amounts

Period	Record Date	Payment Date	Distribution per Unit $	Dividend per Exchangeable Share $	Distributions and Dividends $
May 2005	May 31, 2005	June 20, 2005	0.0375 (1)	0.0250	305
June 2005	June 30, 2005	July 20, 2005	0.0375	0.0250	308
July 2005	July 31, 2005	August 20, 2005	0.0416 (2)	0.0277	342
August 2005	August 31, 2005	September 20, 2005	0.0416	0.0277	342
September 2005	September 30, 2005	October 20, 2005	0.0416	0.0277	342
October 2005	October 31, 2005	November 18, 2005	0.0416	0.0277	342
November 2005	November 30, 2005	December 20, 2005	0.0416	0.0277	342
December 2005	December 31, 2005	January 20, 2006	0.0416	0.0450 (3)	415
Total for 8 months			**0.3246**	**0.2335**	**2,737**
January 2006	January 31, 2006	February 20, 2006	0.0416	0.0277	343
February 2006	February 28, 2006	March 20, 2006	0.0416	0.0277	343
March 2006	March 31, 2006	April 20, 2006	0.0416	0.0277	343
April 2006	April 30, 2006	May 19, 2006	0.0416	0.0277	343
May 2006	May 31, 2006	June 20, 2006	0.0458 (4)	0.0439 (3)	434
June 2006	June 30, 2006	July 20, 3006	0.0458	0.0344	395
Total for 6 months			**0.2580**	**0.1891**	**2,201**
Total for the last quarter			**0.1332**	**0.1060**	**1,172**

(1) On an annual basis, it represents a per unit distribution of $0.45.
(2) On an annual basis, it represents a per unit distribution of $0.50.
(3) Dividends declared for December 2005 and May 2006 include an adjustment to assure a fair equivalence of yield between units of the Fund and exchangeable shares of New Look, taking corporate income tax into consideration. It is foreseen that another adjustment will be made for December 2006.
(4) On an annual basis, it represents a per unit distribution of $0.55

The cash dividend on each exchangeable share is equivalent to the cash distribution declared on each unit less the income taxes required to be paid by New Look with respect of such dividend (representing an estimated two-thirds of the corresponding distribution per unit).

The Fund intends to make monthly distributions along the guidelines set out in the Management Information Circular with respect to the Plan of Arrangement dated of March 21, 2005. The decision is made monthly and there is no guarantee that a distribution will be made each month in the future.

Caution regarding forward-looking statements

This report contains "forward-looking statements" which involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such statements. Although management believes the expectations reflected in those statements are reasonable, there can be no assurance that such expectations will prove to be correct.

Outlook

New Look is committed to open six new stores in the 16 months to come. Other projects are also under analysis. Renovations and relocations of actual stores are also planned. Acquisition of revolutionary laboratory equipment has also been approved. Management expects increased earnings from these additional investments.

August 9th, 2006

Consolidated Financial Statements

For the three-month and the six-month periods
ended June 30, 2006

Fonds de revenu Benvest
NEWLOOK
Income Fund

Fonds de revenu Benvest NEWLOOK Income Fund

Consolidated Earnings and Retained Earnings

Unaudited - In thousands of dollars, except per unit and per share amounts

	3 months ended June 30		6 months ended June 30	
	2006 $	2005 $	2006 $	2005 $
Revenues				
Revenues from eye care	11,679	9,945	23,250	20,364
Fees, interest and other income	297	211	563	456
	11,976	10,156	23,813	20,820
Cost of goods sold, operating, selling and administration expenses	10,356	9,010	20,386	18,138
Earnings before the undernoted items	**1,620**	**1,146**	**3,427**	**2,682**
Amortization	717	467	1,361	929
Financial expenses (Note 4)	134	45	269	180
	851	512	1,630	1,109
Earnings before the following items	**769**	**634**	**1,797**	**1,573**
Income trust expenses		(1,192)		(1,192)
Gain (loss) on foreign currency translation	(54)	176	(67)	677
Earnings (loss) before income taxes and non-controlling interest	**715**	**(382)**	**1,730**	**1,058**
Income taxes (recovery)	80	(883)	239	(428)
Earnings before non-controlling interest	**635**	**501**	**1,491**	**1,486**
Non-controlling interest	7	(7)	14	(2)
Net earnings	**628**	**508**	**1,477**	**1,488**
See Note 5 for other information on consolidated earnings				
Net earnings per unit or share				
Basic	0.065	0.054	0.153	0.158
Diluted	0.064	0.053	0.151	0.155
Weighted average number of units and exchangeable shares outstanding (common shares before May 1, 2005)				
Basic	9,653,038	9,482,100	9,646,334	9,434,912
Diluted	9,799,116	9,589,592	9,771,853	9,587,432

Consolidated Retained Earnings

	3 months ended June 30		6 months ended June 30	
	2006 $	2005 $	2006 $	2005 $
Balance - beginning of period	748	4,966	944	3,986
Net earnings	628	508	1,477	1,488
Distributions	(728)	(403)	(1,408)	(403)
Dividends	(444)	(210)	(809)	(210)
Balance - end of period	**204**	**4,861**	**204**	**4,861**

The accompanying notes are an integral part of these consolidated financial statements

2006

Consolidated Cash Flows

Unaudited - In thousands of dollars

	3 months ended June 30		6 months ended June 30	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
OPERATING ACTIVITIES				
Net earnings	628	508	1,477	1,488
Items not affecting cash:				
Non-controlling interest	7	(7)	14	(2)
Amortization	717	467	1,361	929
Amortization of deferred lease inducements and variation of deferred rent	127	(21)	161	(45)
Equity-based compensation expense	7	233	26	233
Future income taxes	(11)	221	35	155
Loss (gain) on foreign currency translation related to long-term monetary assets	149	(228)	134	(193)
Change in non-cash working capital items	(1,115)	(1,627)	(496)	(292)
Change in long-term accounts receivable	(117)	(260)	(212)	(161)
Cash flows related to operating activities	**392**	**(714)**	**2,500**	**2,112**
INVESTING ACTIVITIES				
Receipt of escrowed proceeds	2,342		2,342	
Advances	(145)	91	(138)	(59)
Purchase of property and equipment	(1,010)	(1,274)	(2,369)	(2,396)
Acquisition of other assets	(94)	(376)	(172)	(349)
Cash flows related to investing activities	**1,093**	**(1,559)**	**(337)**	**(2,804)**
FINANCING ACTIVITIES				
Variation in bank indebtedness			(1,150)	(50)
Repayment of long-term debt	(319)	(388)	(597)	(683)
Repayment of debentures		(1,227)		(1,843)
Lease inducements	175		311	116
Issuance of units to holders of options		627	102	627
Distributions and dividends paid	(1,119)	(305)	(2,236)	(305)
Future income tax related to dividends on exchangeable shares (Note 7)	(102)		(102)	
Cash flows related to financing activities	**(1,365)**	**(1,293)**	**(3,672)**	**(2,138)**
Net increase (decrease) in cash and cash equivalents	120	(3,566)	(1,509)	(2,830)
Cash and cash equivalents, beginning of period	953	8,885	2,582	8,149
Cash and cash equivalents, end of period	**1,073**	**5,319**	**1,073**	**5,319**

The accompanying notes are an integral part of these consolidated financial statements

Fonds de revenu Benvest NEWLOOK Income Fund

Consolidated Balance Sheets

In thousands of dollars

	June 30, 2006 (unaudited) $	December 31 2005 (audited) $
ASSETS		
Current assets		
Cash and cash equivalents	1,073	2,582
Accounts receivable	1,066	1,317
Escrowed proceeds from sale of a portfolio investment (Note 6)		3,451
Inventory	5,637	5,028
Prepaid expenses	481	425
Total current assets	**8,257**	**12,803**
Advances and accounts receivable	3,891	3,686
Escrowed proceeds from sale of a portfolio investment (Note 6)	994	
Property and equipment	11,138	9,972
Tradename	2,500	2,500
Goodwill	5,854	5,854
Other assets	606	592
Future income taxes	323	270
	33,563	**35,677**
LIABILITIES		
Current liabilities		
Bank indebtedness		1,150
Accounts payable and accrued liabilities	6,841	6,803
Distributions and dividends payable	396	415
Income taxes payable		120
Instalments on long-term debt	1,144	1,299
Total current liabilities	**8,381**	**9,787**
Long-term debt	2,681	3,249
Deferred lease inducements and deferred rent	1,137	665
	12,199	**13,701**
UNITHOLDERS' EQUITY		
Fund units (Note 8)	11,567	11,361
Exchangeable shares (Note 8)	8,574	8,663
Contributed surplus (Note 9)	1,019	1,008
Retained earnings	204	944
	21,364	**21,976**
	33,563	**35,677**

The accompanying notes are an integral part of these consolidated financial statements

2006

In thousands of dollars, except per unit, share and option data

1 - Governing Statutes and Activities

Benvest New Look Income Fund (the «Fund») is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario by a declaration of trust dated March 15, 2005. The purpose of the Fund is to hold securities of New Look Eyewear Inc. ("New Look"), a corporation involved in the eye care services industry.

Effective May 1, 2005, New Look is the operating successor of Benvest Capital Inc. ("Benvest") and Lunetterie New Look International Inc. The Fund remained inactive until that date.

2 - Reorganization

Pursuant to a plan of arrangement completed on May 1, 2005, the shareholders of Benvest transferred on a one-for-one basis their common shares to the Fund in consideration for units. Some elected to transfer on a one-for-one basis their common shares to New Look AcquisitionCo Inc. ("Aco"), a wholly-owned subsidiary of the Fund, in consideration for shares exchangeable into Fund units.

Upon completion of the arrangement, New Look was the entity resulting from the amalgamation of Benvest, Aco and two holding companies.

Stock options originally granted by Benvest have been replaced by unit options of the Fund having the same conditions as the former stock options.

3 - Basis of Presentation

The Fund is the continuation of Benvest following the continuity of interests method of accounting and as a result, the comparative amounts presented in these financial statements covering a period prior to May 1, 2005 relate to Benvest. The comparative amounts correspond to the three-month and the six-month periods ended June 30, 2005, whereas the financial statements actually filed for the period ended June 30, 2005 covered two months of operations, due to a change in year-end.

These unaudited interim consolidated financial statements have been prepared by the Fund in accordance with Canadian generally accepted accounting principles for interim financial statements. They do not include all the information and notes required for annual financial statements and should therefore be read in conjunction with the audited consolidated financial statements of the Fund for the fiscal period ended December 31, 2005.

These interim consolidated financial statements are also prepared in accordance with accounting policies described in the Fund's audited consolidated financial statements for the fiscal period ended December 31, 2005.

4 - Financial Expenses

	3 months		6 months	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Interest on debentures		8		37
Interest on long-term debt	101	72	206	175
Interest on bank indebtedness	11	6	30	6
Other financial expenses	22	(41)	33	(38)
	134	**45**	**269**	**180**

5 - Underlying Components in Consolidated Earnings

	3 months		6 months	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Loss (gain) on foreign exchange related to cost of goods sold	(8)	1	(8)	1
Amortization of property and equipment	633	418	1,203	835
Amortization of other assets	84	49	158	94
Interest income from temporary investments	6	33	17	47
Interest income from portfolio investment companies and escrowed proceeds	201	63	317	161
Interest income from officers or entities related to officers	1	3	1	11
Equity-based compensation	7	233	26	233

In thousands of dollars, except per unit, share and option data

6 - Escrowed Proceeds from the Sale of a Portfolio Investment

In May 2006, New Look received $2,342 (US $2,108) out of a total of $3,451 (US $2,999) held in escrow pursuant to the sale in 2004 of a portfolio investment. The balance, in the amount of $994 (US $890), remains in escrow pending the review and negotiation of certain potential claims against the escrow. As of August 9, 2006, it is not possible to ascertain the actual outcome of such review and negotiations, but management expects that such claims will not have a significant impact on the amount receivable.

7 - Income Taxes

The components of the income tax expense are as follows:

	3 months		6 months	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Current	91	(689)	204	(183)
Future	(11)	(194)	35	(245)
	80	**(883)**	**239**	**(428)**

The components of the tax on dividends charged to retained earnings are as follows:

	3 months		6 months	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Current	102		102	
Future	(102)		(102)	
	-		**-**	

The current component corresponds to the tax paid on dividends and not offset by a corresponding reduction in current income tax expense.

8 - Fund Units and Exchangeable Shares

	Units		Exchangeable shares	
	Number	$	Number	$
Balance at December 31, 2005	5,424,335	11,361	4,196,864	8,663
Issued pursuant to exercise of options	29,000			
Portion paid in cash, average price of $3.51 per unit		102		
Portion transferred from contributed surplus [(a)]		15		
Exchangeable shares exchanged for units	43,060	89	(43,060)	(89)
Balance at June 30, 2006	5,496,395	11,567	4,153,804	8,574

(a) The portion transferred from contributed surplus corresponds to the equity-based compensation expense recorded when option rights were vested and recognized in contributed surplus.

9 - Contributed Surplus

	$
Balance at December 31, 2005	1,008
Equity-based compensation expense	26
Transfer to capital contributions (Note 8)	(15)
Balance at June 30, 2006	1,019

A compensation expense of $26 was recorded as a result of options vested in 2006.

10 - Fund Option Plan

Changes in the number of options outstanding were as follows:

	Number	Weighted Average Price $
Outstanding at December 31, 2005	449,000	3.60
Granted	31,000	5.10
Exercised	(29,000)	3.51
Outstanding at June 30, 2006	451,000	3.71
Options exercisable at June 30, 2006	410,333	3.58

In thousands of dollars, except per unit, share and option data

During the quarter ended June 30, 2006, the Fund granted a total of 31,000 options at an exercise price of $5.10 with the following vesting periods: one-third after the grant date, an additional one-third at the end of the first year, and the balance at the end of the second year. The fair value of options granted is estimated using the Black-Scholes option pricing model with the following assumptions:

Expected life (number of months)	36
Expected volatility	35 %
Risk-free interest rate	4 %
Expected annual distributions	$ 0,55

The average value of the options granted was $0.55 per option. A compensation expense of $7 was recorded as a result of these options grants for the quarter ended June 30, 2006.

11 - Segmented Information

The Fund has two reportable segments: eye care products and services, and other. The eye care products and services segment relates to the sale of ophthalmic frames, lenses and related products and services. The other segment relates to the remaining portfolio investment held for sale and the escrowed proceeds from the sale of another portfolio investment.

The composition of the reportable segments used by the Fund in the quarter and the six-month periods ended June 30, 2006 changed compared with the composition previously used by Benvest. The comparable amounts were restated accordingly.

	For the 3 months ended June 30, 2006		
	Eye care	Other	Total
	$	$	$
Revenues	11,775	201	11,976
EBITDA [(a)]	1,426	194	1,620

	For the 3 months ended June 30, 2005		
	Eye care	Other	Total
	$	$	$
Revenues	10,093	63	10,156
EBITDA [(a)]	1,089	57	1,146

	For the 6 months ended June 30, 2006		
	Eye care	Other	Total
	$	$	$
Revenues	23,496	317	23,813
EBITDA [(a)]	3,133	294	3,427

	For the 6 months ended June 30, 2005		
	Eye care	Other	Total
	$	$	$
Revenues	20,659	161	20,820
EBITDA [(a)]	2,543	139	2,682

(a) Earnings before amortization, financial, expenses, income trust expenses, gain or loss on foreign currency translation, income taxes and non-controlling interest.

The segments assets were as follows:

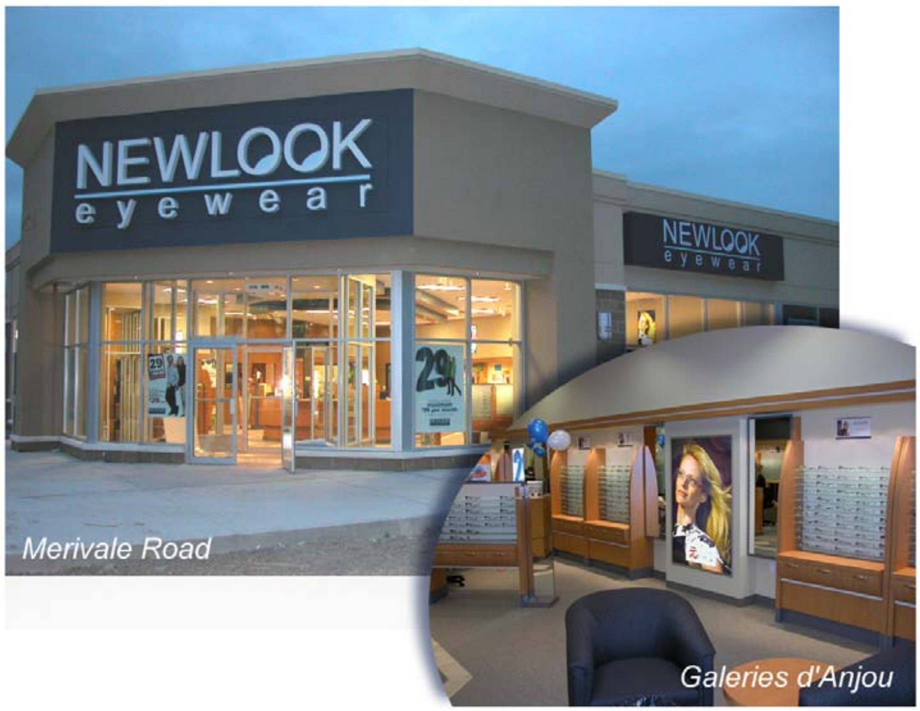
	Eye care	Other	Total
	$	$	$
June 30, 2006	28,433	5,130	33,563
December 31, 2005	28,729	6,948	35,677

12 - Subsequent Events

On July 19, 2006, the Fund announced a distribution of $0.0458 per unit for the month of July and New Look announced a dividend of $0.0342 per exchangeable share for the same month. The distribution and the dividend are payable on August 18, 2006.

Fonds de revenu Benvest NEWLOOK Income Fund

47… 48… 49…



New Look Eyewear continues its expansion. With the opening of its 47th store, in St-Romuald on the south shore of Québec City, and its 48th store, at Galeries d'Anjou in Montreal, New Look has strengthened its presence in Québec. The Ottawa area is also the target of expansion with the recent opening of the 49th store, on Merivale Road.

And we are not finished yet!

Next fall, New Look will celebrate the opening of its **50th** store, at Complexe Angrignon in Lasalle.

2006

Officers & Directors

W. John Bennett
Chairman & Trustee
Benvest New Look Income Fund
and Chairman & Director
New Look Eyewear Inc.

C. Emmett Pearson
Trustee
Benvest New Look Income Fund and
Director & President
and Chief Executive Officer
New Look Eyewear Inc.

Rock Daneau
Senior Vice President Finance &
Chief Financial Officer
New Look Eyewear Inc.

Marial Gagné
Senior Vice President
Merchandise Operations
New Look Eyewear Inc.

Mario Pageau
Vice President
Laboratory and Distribution Center
New Look Eyewear Inc.

Caroline Rouleau
Vice President
Professional Services and Human
Resources
New Look Eyewear Inc.

Outside Directors

Richard Cherney
Secretary
Benvest New Look Income Fund &
New Look Eyewear Inc.
Managing Partner
Davies Ward Phillips & Vineberg

William Cleman
Vice Chairman
Benvest New Look Income Fund &
New Look Eyewear Inc.
Management Consultant
Cleman Consulting Inc.

Paul S. Echenberg
President & Chief Executive Officer
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On May 1, 2005, Benvest Capital Inc. was converted into an income trust named the Benvest New Look Income Fund, the purpose of which is to hold securities of New Look Eyewear Inc. (“New Look”). New Look is a leading enterprise in the eye care industry in Eastern Canada, with growth opportunities based on demographic trends and the consolidation of the industry in Canada. As of June 30, 2006, 5,496,395 units of the Fund were issued and outstanding and listed for trading on the TSX (BCI.UN). In addition, 4,153,804 exchangeable shares of New Look are also issued and outstanding. These shares, which are not listed or freely tradable, have been exchangeable on a one-for-one basis into units of the Fund since May 1st, 2006.