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Dear Friends and Investors,

For the month of June net performance of a composite of for all accounts including the Navigator Fund L.P. gained 3% (3.6% gross), YTD 4.5% (5.5% gross) while the S&P gained 3.56% and YTD 6.4%. The HFRX Equity Hedge Fund Index gained 1.99%, YTD -2.00% VS -2.33% in 2015. The HFRX Global Hedge Fund Index gained 1.45%, YTD at 0.62% vs –3.64% in 2015. The Investor Business Daily Index of Mutual Funds (20 Funds) gained 4.9%, YTD higher by 3.3%. Gross equity exposure stood at 100% during the month.

GMI's equity curve reached a new high during the month. Of equal importance is that the yearly worst cumulative monthly draw down ('WDD") during the past 4 1/2 years has averaged –3.9% compared to the past 14 1/2 years which averaged -6%. Last year WDD was roughly at -5.8% to -5.9% and this year roughly at -3.9%. Additionally, the Sharpe ratio (a measure of average returns divided by volatility) over the past 4.5 years and in the past 14½ years has remained above 1. **Past Performance Is Not Necessarily Indicative Of Future Returns**

The S&P 500 around mid-month reached a new all- time high, exceeding the previous high recorded nearly 14 months earlier. Since 1950 there have been twelve similar periods where the S&P moved to a new weekly high after more than 400 calendar days. Historically, in these periods stock prices on average have gained approximately double the percentage gains achieved in a simple buy and hold strategy looking out one, three, six and twelve months later. The variations are large ranging from one year's performance at 2.5% (1978) to 41% higher in 1954. Current valuation levels presently are likely to limit the gains when compared to historical achievements. **Past Performance Is Not Necessarily Indicative Of Future Returns**

A similar permutation was noted in previous market letters, albeit using a lengthier time period of 500 days based on the rate of change and stock prices near an a 400 day high. This combination was favorable entering last month and has historically also had led to favorable returns in stock prices as compared to buy and hold.

Brexit is no longer headline news, while the Presidential election will be increasingly in the forefront of investor's concerns. The adage that "investor's vote with their wallets" implies that incumbent parties tend to win in good economies and challengers prevail in bad ones. The three month stock market's performance is one measure leading up to the election that has determined the outcome in 12 out of the 14 elections since 1960 and 18 out of 22 since 1929. An incumbent party remained when the S&P was higher in the 3 months leading up to the election, while losing when stock prices declined in the previous three months. The four exceptions where in: 1932, 1956, 1968 and in 1980. It should also be noted that in 1980 the other factor of concern was long term interest rates rising by over 200 basis points in the three months leading up to the election and a double dip recession looming on the horizon. While in 1932 the stock price rebound occurred in the midst of a Depression.

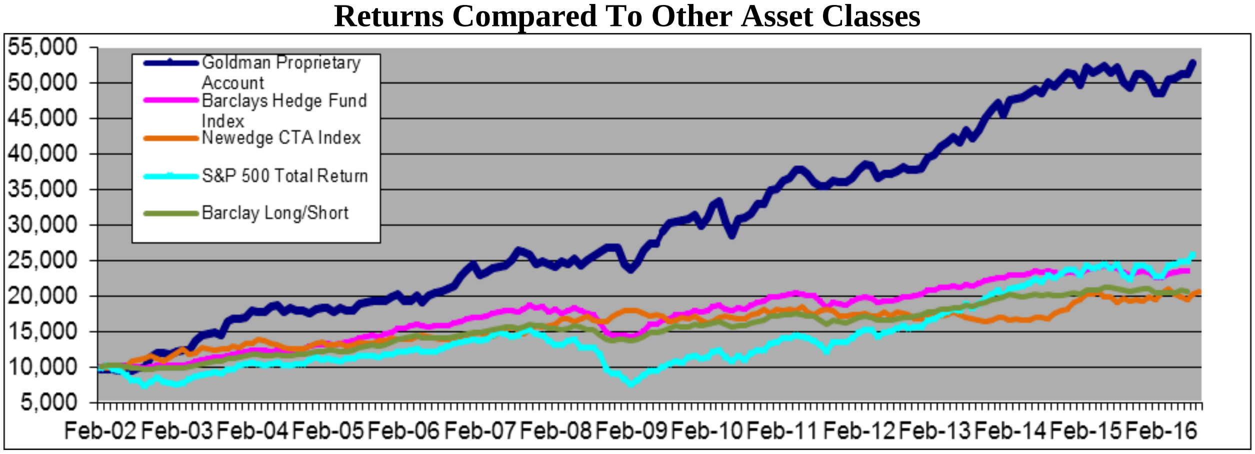
The previous letter detailed the market's historical performance during profit recessions in a non-recessionary periods. In the two periods that were cited stock prices generally followed a similar pattern "but with slightly less resiliency". The sharp market gains have further aligned these periods.

*The aforementioned market commentary may not necessarily be correlated with returns from Goldman Management, Inc. as trading decisions are based on an array of proprietary indicators and models.*

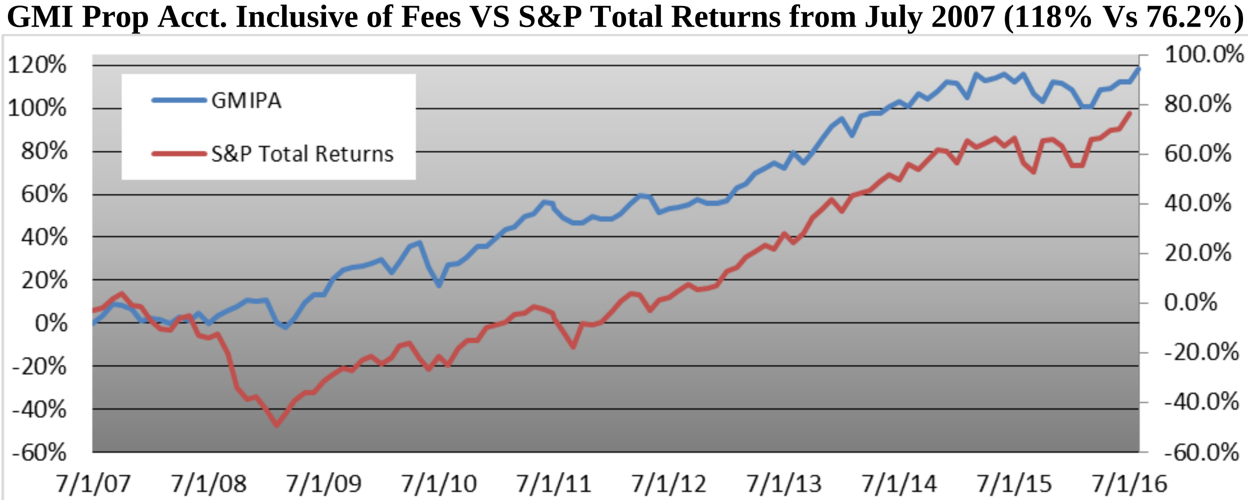
Thank you for your interest,

Steven Goldman

**Returns Compared To Other Asset Classes**




**GMI Prop Acct. Inclusive of Fees VS S&P Total Returns from July 2007 (118% Vs 76.2%)**




**Performance Table (Proprietary Account 1% and 20%)**

| YEAR | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | Returns | WDD* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2002** | n/a | (2.8) | (0.4) | (0.4) | (1.1) | 4.8 | (5.1) | 3.9 | 0.6 | 14.4 | 5.9 | (1.2) | **18.6%** | **(5.2%)** |
| **2003** | (0.8) | 2.4 | 2.3 | 0.5 | 9.9 | 5.6 | 1.5 | 1.1 | (1.7) | 11.3 | 2.3 | 0.7 | **40.2%** | **(1.7%)** |
| **2004** | 0.7 | 5.7 | (1.0) | (0.1) | 4.1 | 1.4 | (4.8) | 3.2 | (2.4) | (0.8) | (1.6) | 3.5 | **7.8%** | **(6.3%)** |
| **2005** | 0.6 | 0.4 | (3.8) | 3.5 | (1.4) | (0.1) | 4.9 | 0.7 | 1.3 | (0.2) | (0.1) | 3.4 | **9.5%** | **(3.8%)** |
| **2006** | 2.1 | (4.7) | 0.0 | 3.9 | (5.0) | 5.1 | 2.0 | 0.6 | 2.4 | 1.6 | 6.4 | 3.7 | **18.9%** | **(5.9%)** |
| **2007** | 3.8 | (6.9) | 1.7 | 2.6 | 0.9 | 0..6 | 3.3 | 5.4 | (0.6) | (1.4) | (5.1) | 1.1 | **4.9%** | **(7.0%)** |
| **2008** | (0.9) | (1.6) | 3.2 | (1.7) | 3.2 | (4.3) | 3.2 | 2.5 | 2.1 | 2.6 | (0.4) | 0.4 | **8.3%** | **(4.3%)** |
| **2009** | (9.1) | (3.0) | 4.4 | 7.2 | 3.4 | (0.1) | 6.6 | 3.6 | 1.0 | 0.5 | 0.6 | 1.7 | **17.0%** | **(11.8%)** |
| **2010** | (4.6) | 3.6 | 5.6 | 1.4 | (8.3) | (6.7) | 8.4 | 0.4 | 2.4 | 3.8 | 0.0 | 5.8 | **10.9%** | **(14.4%)** |
| **2011** | 0.9 | 3.3 | 0.7 | 3.5 | (0.1) | (1.8) | (2.7) | (1.7) | (0.1) | 2.3 | (0.8) | 0.1 | **3.4%** | **(6.3%)** |
| **2012** | 1.7 | 3.1 | 2.3 | (0.5) | (4.6) | 1.5 | 0.3 | 0.9 | 1.5 | (1.3) | 0.2 | 0.6 | **5.2%** | **(5.1%)** |
| **2013** | 3.9 | 1.1 | 3.1 | 1.2 | 1.7 | (1.5) | 4.2 | (2.7) | 2.7 | 4.0 | 2.7 | 2.1 | **24.6%** | **(2.7%)** |
| **2014** | (3.9) | 4.8 | 0.5 | 0.2 | 1.3 | 1.3 | (1.1) | 3..01 | (1.1) | 1.8 | 2.1 | (0.3) | **8.5%** | **(3.9%)** |
| **2015** | (3.2) | 5.2 | (1.4) | 0.7 | 0.9 | (1.7) | 1.6 | (4.3) | (1.5) | 4.3 | (0.15) | (1.4) | **(1.4%)** | **(5.9%)** |
| **2016** | (3.8) | (0.1) | 4.1 | 0.2 | 1.4 | 0.1 | 2.8 | | | | | | **4.6%** | **(3.9%)** |
| **AVG** | | | | | | | | | | | | | **12.3%** | **(6.0%)** |

## Information & Statistics 2002 to Present

| | | | | | |
|---|---|---|---|---|---|
| Internal Rate of Returns | 12.25% | Avg. yr. max cum. monthly DD | 6.0% | AUM (million) | $43 |
| Compounded Returns | 13.0% | Correlation to the S&P 500 | 0.60 | Avg. Monthly Return | 1.12% |
| IRR (Gross ) | 16.0% | Correlation to the CTA Index | 0.01 | Proprietary acct. | $10.5 mil |
| Sharpe Ratio | 1.06 | Correlation to the Hedge Index | 0.42 | LTR (GMI) | 427% |
| Standard Deviation | 11.55 | Profitable Months | 68% | LTR (S&P 500) | 91% |
| Sortino Ratio | 2.04% | Beta to S&P | 0.46 | | |

WDD Worse cumulative monthly draw down from a peak during the year

## Managed Accounts, Fund & Prop. (Composite)

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | Returns | WDD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2011** | | | | | | | | | | | | 0.0 | **0.0%** | **0.0%** |
| **2012** | 1.7 | 2.8 | 2.1 | (0.5) | (5.1) | 1.7 | 0.3 | 1.0 | 1.7 | (1.4) | 0.2 | 0.6 | **5.0%** | **(5.6%)** |
| **2013** | 3.9 | 1.1 | 3.1 | 1.2 | 1.7 | (1.5) | 4.3 | (2.7) | 2.7 | 4.0 | 2.8 | 2.1 | **25.0%** | **(2.7%)** |
| **2014** | (4.0) | 4.8 | 0.5 | 0.2 | 1.3 | 1.4 | (1.2) | 3.1 | (1.1) | 1.8 | 2.1 | (0.3) | **8.6%** | **(4.0%)** |
| **2015** | (3.2) | 5.2 | (1.4) | 0.7 | 1.0 | (1.7) | 1.8 | (4.3) | (1.5) | 4.3 | (0.1) | (1.4) | **(1.4%)** | **(5.9%)** |
| **2016** | (3.9) | (0.1) | 4.1 | 0.2 | 1.4 | 0.1 | 3.0 | | | | | | **4.5%** | **(4.0%)** |

## PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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