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12/7/2016

Dear Friends and Investors,

For the month of November net performance of a composite of for all accounts including the Navigator Fund L.P. rose 3.0% YTD 5.8%, (7.7% YTD gross) while the S&P gained 3.4% and YTD 7.5%. The HFRX Equity Hedge Fund Index gained 1.47%, YTD -0.08% VS -2.33% in 2015. The HFRX Global Hedge Fund Index gained 0.87%, YTD at 1.63% vs –3.64% in 2015. Equity allocation as discussed last month was trimmed in the second half of October. The reduction was reversed in the beginning of November to roughly 105% gross exposure.

S&P 500 earnings for the third quarter rose by 3.2%, 6.5% Ex-energy. Entering the earnings season the expectations were for -0.3% decline and Ex-energy a 3.35% rise. Revenues in the quarter expanded by 2.7%, Ex -energy 4.5%. Equally important is that earning expectations for the fourth quarter have held steady over the past few weeks.

In the third quarter the amount of buy backs in the S&P declined by 6.8% to $125 billion. The previous quarter was the highest in this business cycle. Prior to the election, market commentators had expressed concern regarding the possible curtailment in buybacks given the rise in interest rates. Reviewing the previous business cycle along with its interest rate cycle reveals that rates did not lead to a curtailment in buybacks, as the peak in buy back activity occurred in the midst of higher rates. The peak in buy back activity actually occurred in the summer of 2007, just a few months before the onset of a recession.

The surprisingly Republican sweep in the Elections led to a rebound in stock prices aided by the potential of a pro-growth, pro-business platform. The Russell 2,000, an index of the smallest capitalized issues with a median cap of around $500 million vastly outperformed most other indexes by a wide margin. This Index had declined from its highs by 8.4% a few days before the Election and has from the lows to month end gained 14.5% while trading higher for 15 consecutive days. The Russell 2,000 over a ten-day period gained 13.5%. In the past 30 years there exist only seven other examples with rates of change over ten days greater than 13%, four if excluding repeated occurrences within one year. Three of these occurred after severe market declines in 1991, 1998 and in 2008, while another occurred after a market peak in the midst in the NASDAQ bubble in May 2000. Additionally, the Russell moved higher for 15 consecutive days ending November 28th. Just four other such occurrences exist: February 1996, March 1988, May 1985 and August 1979. All these periods, though the sample size is small, did eventually lead to higher stock prices, mostly after a consolidation phase. In sum, gains of this nature have indicated strength begets further strength, with the S&P rising roughly 4% 20 days later when the

Russell 2,000 had gained more than 13% over ten trading sessions, higher 85% of the time. Outcomes are less significant when the gains were accompanied by new highs.

The strength in the Industrial CRB continued last month after reaching its highest level of the year in October. In the month of November this index surged a whopping 5%, moving to its highest level since January 2015. The Index has now gained 20% from its lows. This may indirectly (anecdotally) limit the downside in S&P earning projections. The earnings projection/CRB link has been a recurring theme in earnings over the past few years. From the high in the second quarter of 2011 the CRB Index declined by 37%. This may have been a contributing factor in S&P earnings projections being revised lower in the past couple of years when the CRB Index declines accelerated. Conversely, the strength in the CRB may possibly be a factor for greater stability in earnings projections in the near term.

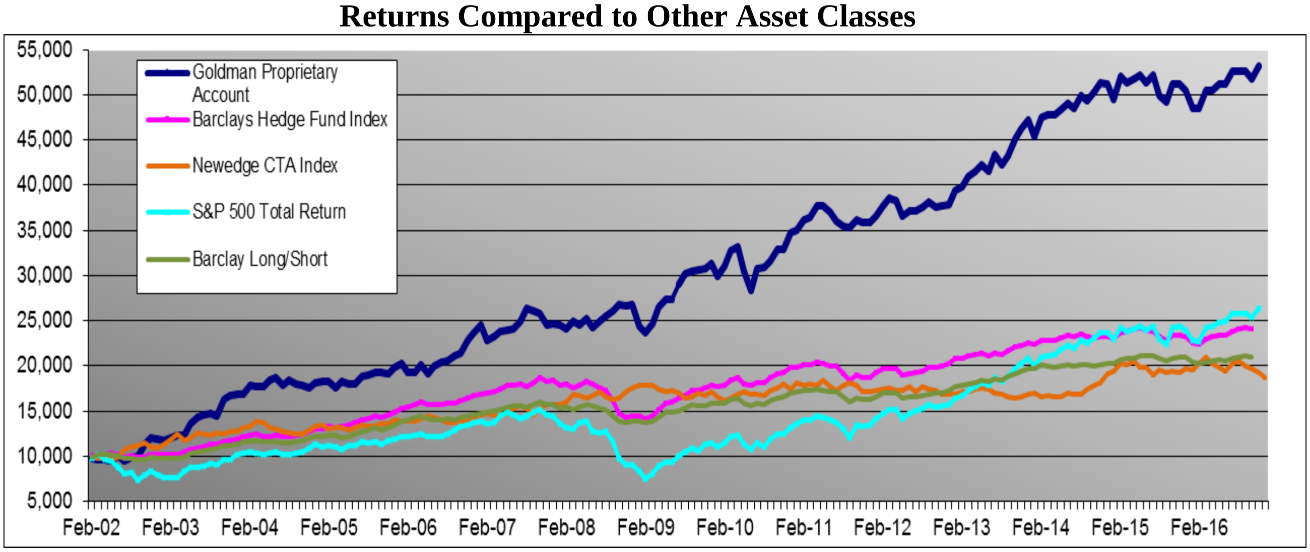
As detailed in the September letter a handful of leading indicators used to monitor economic forecasts had been suggesting economic growth in the vicinity of 3% in the 3rd quarter. Forecasts continue to indicate a robust reading in the 4th quarter. Earnings last quarter as mentioned on page 1 where better than expected **and** profit margins stood at 10%. While margins are below the peak from the 3rd quarter of 2014, the current earnings excluding energy would have reached a new peak. As detailed in this letter in past years, profit margins tend to top out ahead of an economic peak and ahead of bull market peaks.

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



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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	0.0	(0.1)	(1.5)	2.9		**5.7%**	**(3.8%)**
AVG													**12.1%**	**(6.0%)**

Information & Statistics 2002 to Present

Internal Rate of Returns	12.1%	Avg. yr. max cum. monthly DD	6.0%	AUM (millions)	$45
Compounded Returns	12.8%	Correlation to the S&P 500	0.60	Avg. Monthly Return	1.02%
IRR (Gross)	15.8%	Correlation to the CTA Index	0.01	Proprietary acct.	$10+ mil
Sharpe Ratio	1.05	Correlation to the Hedge Index	0.42	LTR (GMIPA)	433%
Standard Deviation	11.55	Profitable Months	68%	LTR (S&P 500)	93%
Sortino Ratio	2.02%	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	0.0	(0.1)	(1.6)	3.0		**5.8%**	**(3.9%)**

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