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2/7/2017

Dear Friends and Investors,

For the month of January net performance for all accounts including the Navigator Fund L.P. gained 1.40% (1.85% gross). The S&P on the month gained 1.8%. The HFRX Equity Hedge Fund gained 0.85% after gaining 0.10% last year, while the HFRX Global Hedge Fund Index gained 0.50%, after finishing last year higher by 2.5%.

The post- election six-week gain (29 trading sessions) in the Dow Jones Average was 9%. Going back to 1900, this post-election six-week gain was the second best since 1924 when the Dow gained. 9.2%. For the previous twelve **new** Presidents since the 1950's, from the Inauguration over the next twelve trading sessions from a risk / reward perspective has been extremely favorable for stock prices. The S&P finished the 12th trading day on Feb. 6th and gained 1.25%, just below the historical average. Reviewing this criterion over a 75-day performance reveals an outcome only slightly better than the historical buy and hold. The largest advance was 8.3% while the worse decline was -3.4%. In contrast, reviewing **all** Inauguration gains over the 75-day performance demonstrates an average outcome that is flattish.

Volatility had mutated recently at mid- month. The Dow Jones Average 21- day trading range (after the sharp election gains) was the smallest ever going back to the early 1900's. The S&P trading range in January using intra-day pricing was 2.5%, the narrowest January on record. Furthermore, the S&P has not declined by more than 1% in over 75 days, a streak that was surpassed only seven other times since 1970. Reviewing those seven periods reveals they were not significant in forecasting the direction for stock prices in the short-term.

Continuing our discussion a few months back regarding the topic of some of the market drivers brings us to the continued strength in the Industrial CRB (ICRB). The strength in the ICRB suggests the potential for greater stability in earnings projections in the near term when compared to the previous few years. In January, the ICRB continued to move to a new recovery high, gaining approximately 2% and is roughly higher by 25% year over year. Additionally, and as detailed in the September letter a handful of leading

indicators used to monitor economic forecasts have been suggesting strengthening economic growth. Since then the last two quarters of GDP growth have averaged 2.7%. These gauges continue to remain at “relatively” robust levels. For instance, the Purchasing Manager’s in December (released in January) and January’s was the best in over two years. Furthermore, the National Federation of Independent Business (NFIB) rose to 105.8, the highest level since 2004, up from 98.4 the previous month. This is the highest level since 2004 and the fifth highest level since the survey inception in the 1970’s. From a percentage standpoint, the jump was the third largest on record.

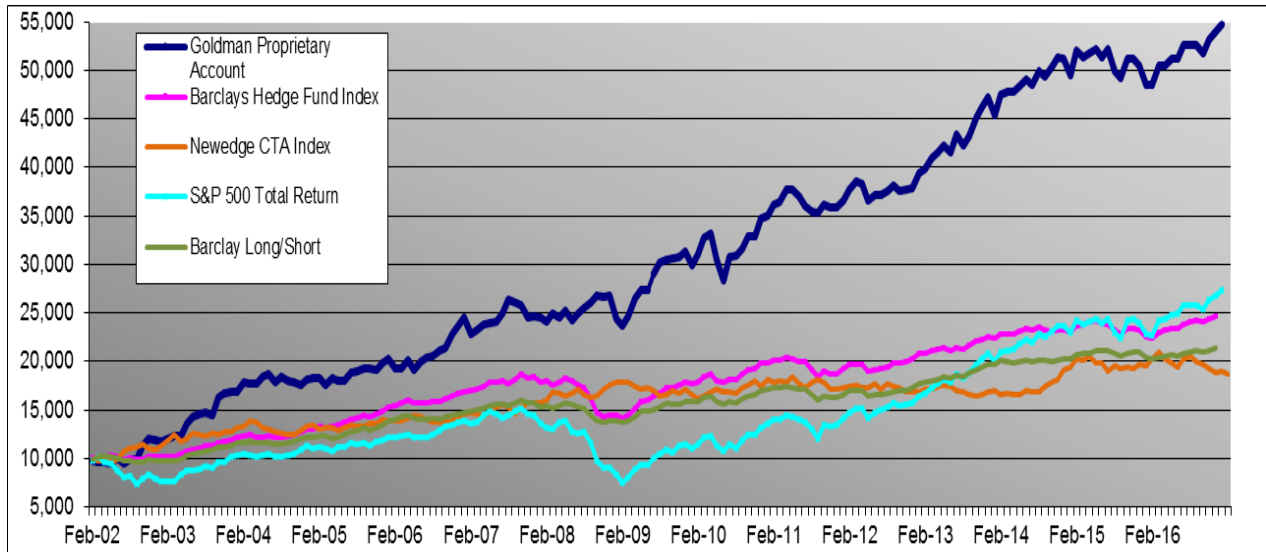
One of the likely drivers to the post-election rally is the potential change in the tax rate for US Corporations. To review: The average tax rate for S&P 500’s companies prior to the sharp declines in oil prices stood at 28%, while the average tax rate for smaller domestic capitalized issues with little overseas exposure is closer to 35%. Expectations are for a decline in the corporate tax rate to 20% and the probability of passage according to many experts is hovering at 75%. Subsequently, an 8% decline in the tax rate for the S&P 500 times a 75% probability of passage equates to 6% gain in the S&P, which occurred little more than a month post-election. While a 15% decline in the tax rate for domestic Corporation’s multiplied by 75% equals 12.5%, a gain the Russell 2,000 achieved 11 trading days later, albeit following the Index’s 8.4% decline from the prior high.

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	1.5	7.3%	(3.8%)
2017	1.4												1.4%	0.0
Avg.													12.1	(5.7)

Information & Statistics 2002 to Present

Internal Rate of Returns	12.1%	Avg. yr. max cum. monthly DD	5.7%	AUM (millions)	\$54
Compounded Returns	12.8%	Correlation to the S&P 500	0.60	Avg. Monthly Return	1%
IRR (Gross)	15.8%	Correlation to the CTA Index	0.01	Proprietary acct.	\$11 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	1.5	7.5%	(4.0%)
2017	1.4												1.4	0.0

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