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Dear Friends and Investors,

For the month of February net performance of a composite of for all accounts including the Navigator Fund L.P. lost -0.08% YTD -3.95% while the S&P finished -0.40% and YTD -5.45%. The HFRX Equity Hedge Fund Index lost -1.12%, YTD -5.57% VS -2.33% in 2015. The HFRX Global Hedge Fund Index lost -0.32%, YTD at -3.08% vs –3.64% in 2015. The Investor Business Daily index of Mutual Funds (20 Funds) declined by- 0.7%, YTD at -8.97%. Equity allocation entering the month of February was in the low 50% before more than a 5% intra-month decline. Equity ratio's rose modestly afterwards.

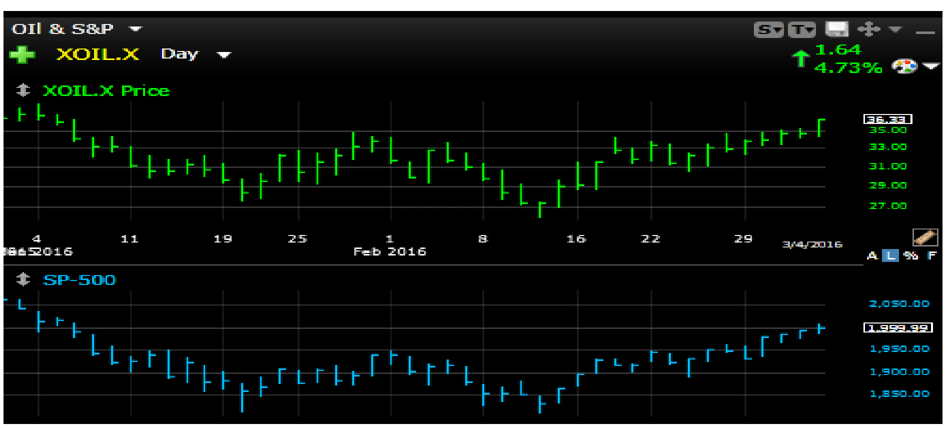
Roughly 95% of companies in the S&P 500 have reported earnings for the fourth quarter and earnings have declined by –3.7%. Excluding Energy companies earnings grew at 2.5%. The impact from a stronger U.S. dollar coupled with relative lower global growth compared to the US is noticeable when breaking down these two subsets. Those companies that generate more than 50% of sales within the U.S. had earnings growth of 6.9% Vs 3.9% for companies that generate the majority of sales outside the U.S. The readings suggest that the earnings recession this time around may not correlate with a U.S. recession which is also similar to the period of 1985 to 1986 when Oil prices declined by 70%.

An Index based on an all-encompassing listing of financial stocks domiciled on the NY Stock Exchange declined by 25% from its peak by last month's market lows, the peak having occurred only a little more than 6 months earlier. Since 1970, a decline of this proportion has occurred only a few times outside of an impending recession. The price Index reached its lowest level since the end of 2012. During this time span or from year end 2012 the S&P advanced by 28%. The "stress levels" from this year's 18% declines in financial stocks manifested at the lows on February 11th and spilled over to a rare 6% five-day selloff in the largest Preferred Stock ETF; symbol PFF (the Index holds 52% of its portfolio in bank stocks). Nevertheless, the losses from PFF were recouped just as quickly, over the next five trading sessions. Additionally, the 10-year Treasury note yielded 1.71% on February 10th and the following day yields collapsed intra-day to 1.55% or by 16 basis points, finally finishing the session 10 basis points off the lows to yield 1.65%. The reversal in yields occurred despite the S&P in the session declining by over 1%. The concurrent impacts of the reversal in yields on February 11th accompanied by steep losses in the PFF and financial stocks can be interpreted as a sign of capitulation. February 11th also witnessed the closing lows in both the S&P and crude oil prices.

The recent declines in financial stocks can partially be related to the lower profit margins that are associated with the declines in interest rates. The yields on the Treasury's Ten- year note declined in the month by 30 basis as of February 11th, following a 30 basis point decline in January. The 60 basis point decline over a six week period previously occurred during the European Crisis in late August 2011 after a steep global market decline, and in the Greece Crisis of May 2010 also after a steep global market decline. The recent large descent in interest rates was global and further witnessed by the German Bund during this time span declining by roughly 50 basis points to 0.11%

The overall economic assumption based on numerous indicators monitored as detailed last month continues to suggest a "non-economic" market decline. One measure discussed last month is observing the "regression to the mean" based on the S&P's rate of change over 500 trading sessions. At the market's closing lows this year this gauge declined to -1%. As stated last month, in previous non-economic market declines this gauge held above a level greater than 0 from 1980 to 2011 despite market declines of 20% or greater. While in the market declines from the 1960's to 1970's that were associated with non-economic sell offs the index bottomed shortly after the reading declined below 0.

Stock prices continued to be tethered to oil prices. In the first nine trading days of the month crude oil declined 8 out of 9 days and oil prices during this time span moved from $32.60 to $26.20. The S&P in this period declined in 7 of these sessions, falling by over -5%. S&P and Crude oil both bottomed on February 11th. Late note: Crude oil on Friday March 4th finished at the highest price since January 6th and the S&P on Friday stood ½% above the levels from January 6th. The graph below depicts Crude oil (green) Vs the S&P (blue). The S&P as depicted below is nearly identical to the movement in Crude oil. A closer observation will also note that on certain day's crude oil finishing at the day's highs or lows in the session corresponded with a similar movement in the S&P.

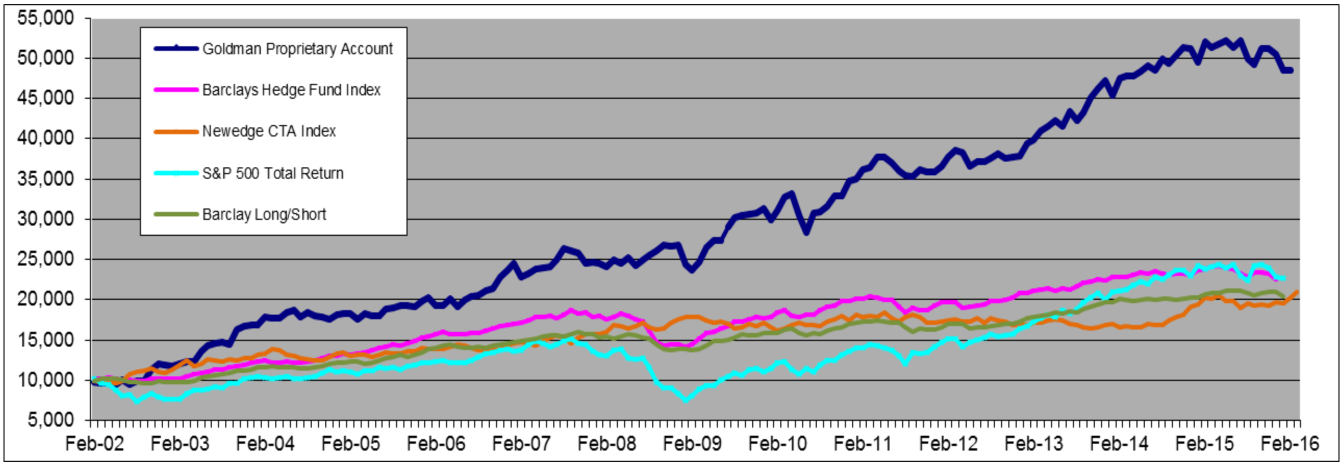



*The aforementioned market commentary may not necessarily be correlated with returns from Goldman Management, Inc. as trading decisions are based on an array of proprietary indicators and models.*

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) | | | | | | | | | | | **(3.9%)** | **(3.9%)** |
| **AVG** | | | | | | | | | | | | | **12.4%** | **(6.0%)** |

## Information & Statistics

| | | | | | |
|---|---|---|---|---|---|
| Internal Rate of Returns | 12.2% | Avg. yr. max cum. monthly DD | 6.0% | AUM (million) | $40 |
| Compounded Returns | 13.0% | Correlation to the S&P 500 | 0.57 | Avg. Monthly Return | 1.12% |
| IRR (Gross ) | 16.5% | Correlation to the CTA Index | 0.02 | Proprietary acct. | $9.4 mil |
| Sharp Ratio | 1.08 | Correlation to the Hedge Index | 0.39 | LTR (GMI) | 422% |
| Standard Deviation | 11.74 | Profitable Months | 68% | LTR (S&P 500) | 84% |
| Sorting Ratio | 2.15% | Beta to S&P | 0.46 | | |

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

## PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

## 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) | | | | | | | | | | | **(4.0%)** | **(4.0%)** |

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