GOLDMAN
MANAGEMENT, INC

500 Morris Avenue
Suite 110
Springfield, NJ. 07081
Office 973-258-0502
Mobile 973-727-8149
Fax 973-379-4076

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Dear Friends and Investors,

For the month of October net performance for all accounts including the Navigator Fund L.P. gained 4.25%, YTD gain at 0.2%. The S&P rose by 8.3%, with a YTD gain of 0.97%. The three month rate of change for GMI is -1.8% Vs the S&P at -1.2%, while the two month cumulative drawdown for GMI was -5.85% Vs -8.92% for the S&P. The HFRX Equity Hedge Fund Index gained by 1.9%, a YTD decline at –1.28% vs 1.4% in 2014, while the HFRX Global Hedge Fund Index gained 1.46%, YTD decline of –1.63% vs -0.4% last year. The Barclay Long Short Hedged Fund Index (data delayed a month) lost -1.05%, 0.88% YTD Vs a 2.94% gain last year. GMI Assets under management along with proprietary funds are roughly at $58 million.

There have been numerous articles published in recent months regarding the link between profit margins and recessions. Featured in these articles are the last seven business cycles, dating back to 1973. The results were not encouraging regarding the economy or the stock market as in every period except one, a 0.6% decline in margins in 12 months coincided with a recession. The S&P's profit margin peaked at the end of 2014 at 10.1% and by the second quarter of this year stood at 9.3%, an 0.8% decline. In another article regarding profit margins, the concerns were focused on the secular rise in profit margins and according to this article "profit margins are probably the most mean-reverting series in finance, and if profit margins do not mean revert, then something has gone wrong with capitalism". The reasoning for this statement is that high profit margins will tend to attract competition. Regarding the concern that a peak in profit margins is the harbinger of a recession, the only time a contraction in profit margins did not lead to a recession was in the years 1985 to 1986, when crude oil prices from November 1985 to March 1986 plunged by 67%, similar to today's decline in oil prices. What is not similar is from November 1985 to March 1986 the S&P advanced by whopping 22.5% during the five month plunge in oil prices. Additionally, using the All Corporation data series (detailed in previous letters) which excludes inventory adjustment and taxes, (and has is lesser weighting to the energy complex than the S&P) still reveals near record profit margins (profit / GDP). This ratio at the end of the second quarter stood at 13.1%, still roughly near the peak for this business cycle. Regarding the secular rise in profit margins and regression to the mean, excluding the eventual rise in wages as the economic cycle matures, the secular rise in margins is partly attributable to a decline in taxes paid as a percentage of revenues over the past few business cycles, a factor not likely to change in the intermediate term. Further details will be provided at a later date on this subject.

Regarding sentiment, one useful gauge tracked is based on weekly net allocation for a subset of hedge funds. Equity exposure entering the month on one poll fell to just below 49%, the lowest level since August 2013, having begun the year at roughly 53%. Alternatively, monitoring daily / weekly hedge fund performance Vs an equal weight on a basket of stocks ("BOS") at times can offer insight to hedge fund equity allocation by comparing the two. Reviewing the previous few months for perspective, in August the S&P declined -6.3% while BOS declined by -5%, and the HFRX Equity Hedge declined by -3.2% or roughly 50% of the performance on the S&P and roughly 64% Vs BOS. In September the S&P declined by -2.65%, BOS declined -5% and HFRX declined by just over -2% or roughly 50% Vs BOS. In the month of October this relationship changed dramatically. At mid -month the S&P was higher by 5.4% and the BOS by 6% while the HFRX had gained just 1.2% or just one-fifth of the BOS. The following week the S&P was higher by 8%, BOS by 6% and HFRX was higher by 0.9%, only one seventh of the BOS. From a sentiment perspective the lagging monthly performance by HFRX may have been a factor in limiting the amount of marginal selling.

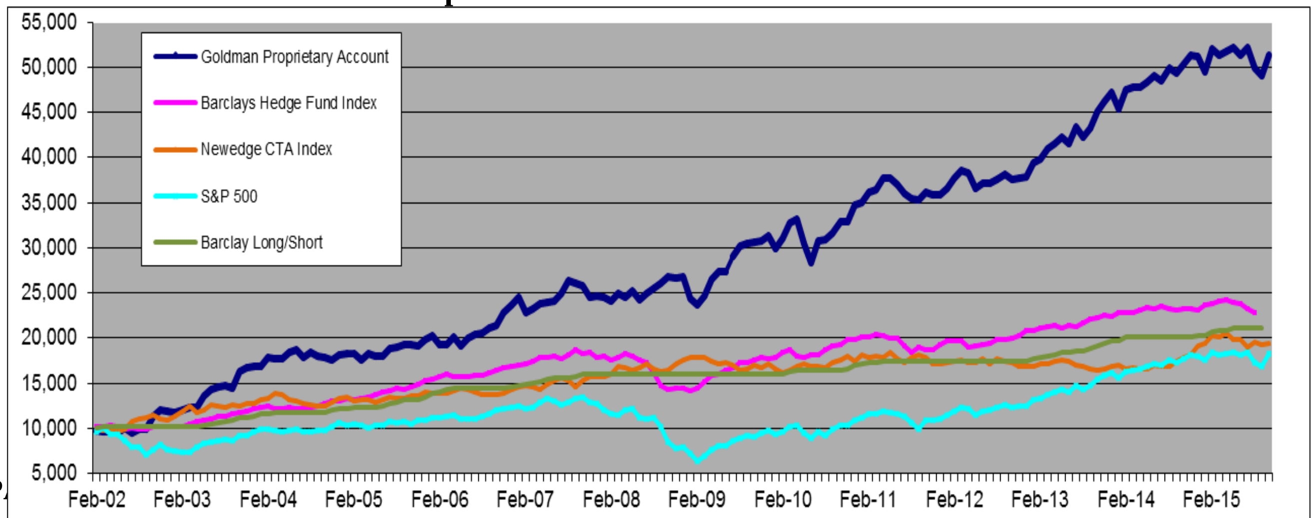
As discussed last month, the general expectation for stock prices was that they would not etch a "V" shaped bottom, unlike October 2014, but would likely encounter at minimum a retest of the recent market lows. GMI failed to take advantage of the retest as risk controls had been implemented. From a historical perspective or since 2002, GMI's yearly cumulative monthly draw down has averaged 6%, which has been one of the risk controls/ goals for the strategy. A key pair of GMI's risk measure stats are as follows: 70% to 100% of the cumulative drawdowns have historically been recouped in 2.7 months and in this regard more than 70% of the losses were recouped last month; and a goal of no losing years. With last month's gains returns are back in the plus column. P**ast performance is not necessarily indicative of future returns.**

Regarding the window to increase equity allocation during the rally phase, one concern that had surfaced by mid-month when the S&P was 4% higher on the month was the lackluster performance of the German Dax which since the beginning of Aug. has been correlated to the S&P by roughly 80%. The Dax had declined by 24% from its peak earlier in the year but had bounced less than 5% from its lows, recouping under 20% of its' losses, contrasting poorly with the 6% rebound by the S&P which recouped 50% of its' losses. As mentioned in the previous two letters most of market losses in the prior two months occurred during overnight selling creating downward opening gaps in the S&P. In the third week of the month the European Central Bank's head, Mario Draghi discussed plans to cut interest rates further and to expand QE by year- end, leading to sharp gains in the Dax.

T*he 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



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	**5.4%**	**(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			**0.2%**	**(5.9%)**
AVG													**13.0%**	**(6.0%)**

Information & Statistics

Internal Rate of Returns	12.5%	Avg. yr. max cum. monthly DD	6.0%	AUM (million)	$51
Compounded Returns	13.4%	Correlation to the S&P 500	0.57	Avg. Monthly Return	1.12%
IRR (Gross)	17.0%	Correlation to the CTA Index	0.02	Proprietary acct.	$9.2 mil
Sharp Ratio	1.12	Correlation to the Hedge Index	0.39	LTR (GMI)	422%
Standard Deviation	11.74	Profitable Months	68%	LTR (S&P 500)	84%
Sorting Ratio	2.22%	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)	1.6	(4.3)	(1.5)	4.3			**0.6%**	**(5.9%)**

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