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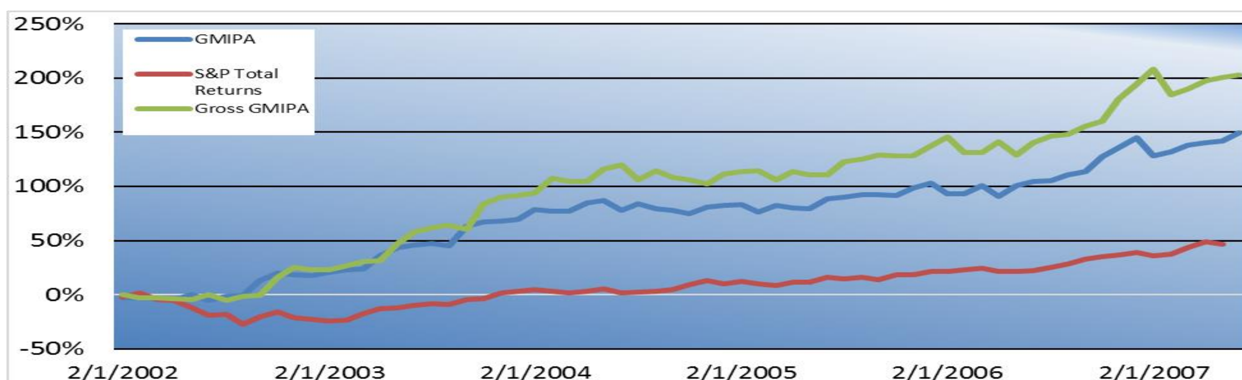
Listed below are the monthly letters sent to investors in 2018. It should be noted that: T***he market commentary may not necessarily be correlated with returns from Goldman Management, Inc. as trading decisions are based on an array of proprietary indicators and models.***
Thank you for your interest.

December 2017, S&P 2,674 The January letter customarily reviews GMI's mandates and performance for the previous year. One mandate/ mission is for GMI to outperform the S&P over the Investment Cycle. The following two charts are broken into the last two Investment Cycles, comparing S&P total returns (red line, dividends included) VS GMI Prop account ("GMIPA") inclusive of pro-forma fees (blue line) along with gross returns (green). The table below depicts the difference in performance during these cycles. **Past performance is not necessarily indicative of future returns.**

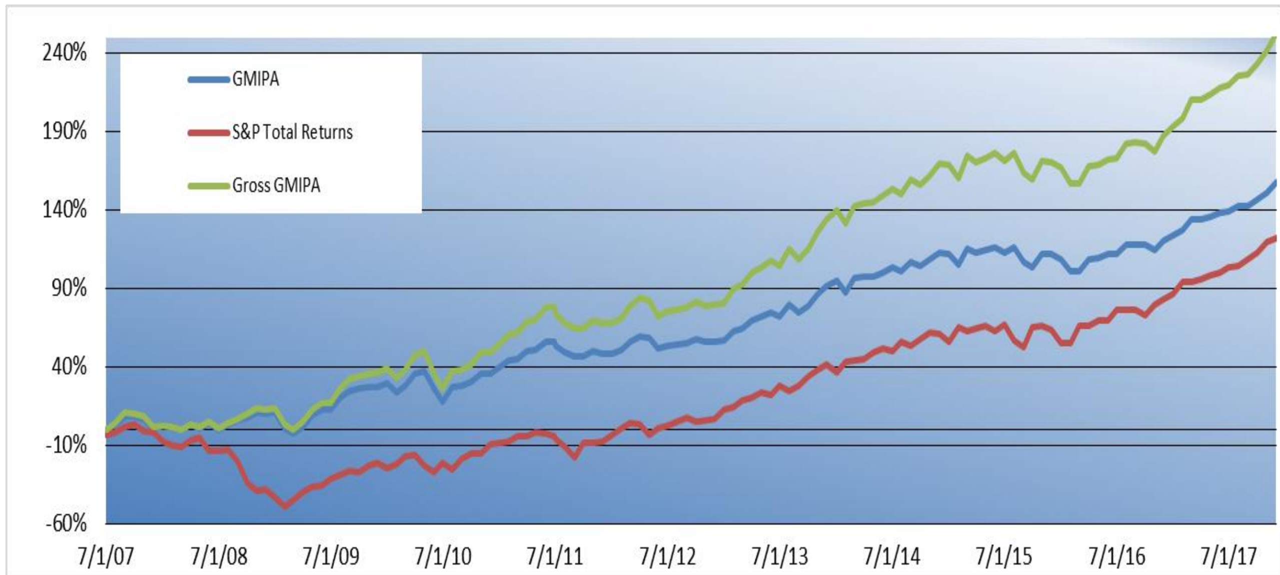
The Investment Cycle

Dates	S&P	GMIPA	Ex Fees
2/02 to 6/07	42%	150%	216%
7/07 to Present	122%	161%	260%
2/02 to Present	226%	518%	992%

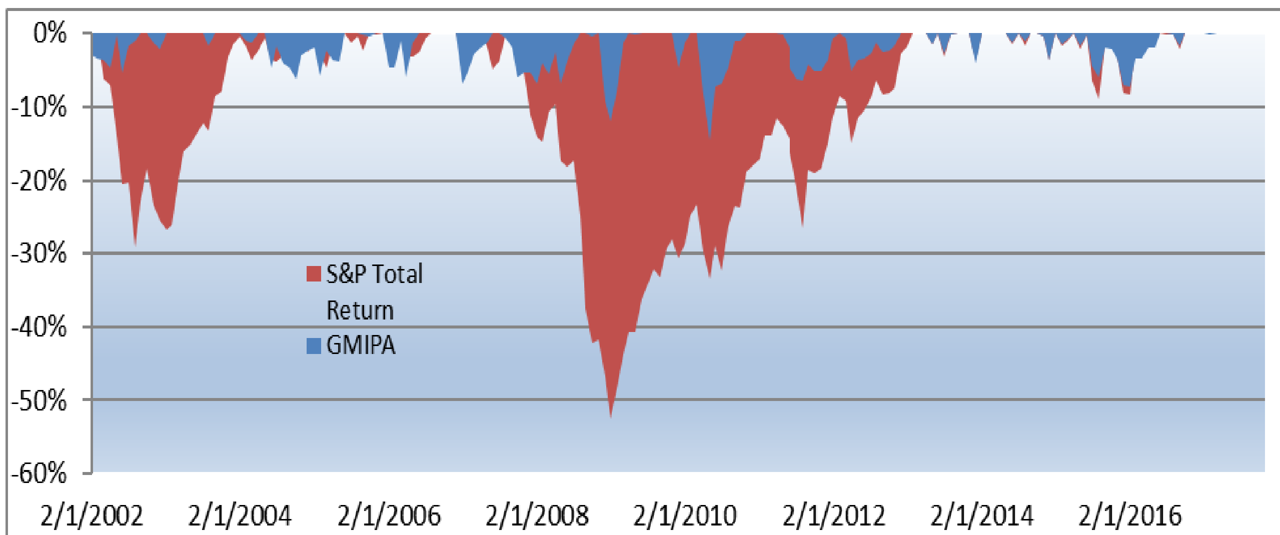
S&P Total Return VS GMIPA VS Gross GMIPA February 2002 to June 2007



S&P Total Return VS GMIPA Vs Gross GMIPA July 2007 to the Present



The chart below depicts the S&P's **Cumulative Monthly Drawdowns** (red) Vs GMIPA's cumulative monthly drawdowns (blue).



The following table on the next page depicts the yearly price change in the S&P and GMIPA along with the worst yearly cumulative monthly drawdowns. Another mandate/mission is to outperform in the context of the S&P price change VS GMIPA (excluding fees) or "pure market calls" and /or to incur less volatility during the drawdowns. GMI outperformed the S&P price change last year by 240 basis points, while the cumulative monthly draw down was at -0.04%, identical to the S&P price change. From a historical perspective, the average year difference in cumulative drawdown is 470 basis points or a 45% reduction. **Past performance is not necessarily indicative of future returns.**

S&P 500 price change VS GMIPA or "Pure Market Call" (Excluding Fees) VS Worse Cumulative Monthly Drawdowns or WDD

Date	S&P ROR	GMI Gross	S&P WDD	GMI WDD	Diff in ROR	Diff in WDD
2002	-22.0%	23.2%	-29.00%	-5.23%	45.2%	-23.8%
2003	26.4%	55.7%	-4.39%	-2.03%	29.3%	-2.4%
2004	9.0%	10.4%	-3.30%	-6.26%	1.4%	3.0%
2005	3.0%	12.3%	-4.56%	-3.80%	9.3%	-0.8%
2006	13.6%	23.8%	-3.10%	-5.95%	10.2%	2.9%
2007	3.5%	5.7%	-5.23%	-6.92%	2.2%	1.7%
2008	-38.5%	10.9%	-39.00%	-4.27%	49.4%	-34.7%
2009	23.5%	22.5%	-18.60%	-11.73%	-1.0%	-6.9%
2010	12.8%	14.9%	-13.15%	-14.42%	2.1%	1.3%
2011	0.0%	5.3%	-17.07%	-6.38%	5.3%	-10.7%
2012	13.4%	7.8%	-7.00%	-6.20%	-5.6%	-0.8%
2013	29.6%	32.8%	-3.10%	-2.77%	3.2%	-0.3%
2014	11.4%	11.9%	-3.60%	-3.99%	0.5%	0.4%
2015	-0.7%	-0.5%	-8.75%	-5.93%	0.2%	-2.8%
2016	9.5%	9.8%	-5.49%	-4.12%	0.3%	-1.4%
2017	19.4%	21.8%	0.00%	0.00%	2.4%	0.0%
AVG	**5.5%**	**16.8%**	**-10.33%**	**-5.63%**	**11.4%**	**-4.71%**

The table below lists six mandates: No losing years and a minimum gross return greater than 5% (since 2002 in only one year has this mandate not been achieved). Annual monthly peak to trough in equity under 6%; historical average is 5.5%, and -3.6% is the average decline in the past six years. A 70-100% recovery rate on the worse yearly draw down should be achieved within three months, the average is 2.7 months. A Sharpe Ratio greater or equal to 1, similar to the long- term average, while the S&P's historical average is roughly 0.55. Outperform the S&P 500 yearly price change on a gross basis. Profitable months 66% of the time. Beta not a mandate, although was less than the market - or less than 1.

Mandates/ Mission	**2017**	**2016**	**2015**	**2014**	**2013**
No losing years, gross returns >5.0%	21.8%	9.8%	-.5%	11.9%	32.8%
Monthly peak to trough in equity <=-5.5% (avg.)	0.04%	-4.0%	-5.9%	3.95%	-2.7%
Sharpe ratio >=1 (average =1.1)	4.16	1.0	No	1.15	3.03
Worse yearly DD, months to recover 70% to 100% of losses in months	1 mo.	1 mo.	1 mo.	1 mo.	1 mo.
Outperform the S&P 500 price index on a gross basis	240	25	20	100	310
Profitable months=68% (average)	92%	50%	42%	66%	83%
Beta	0.82	0.7	0.69	0.94	0.85

January, S&P 2,824 GMI celebrated the 16th year of its audited track record at month's end (unaudited from 1987) and a few milestones can be noted. Gross returns last month surpassed 1,000% (the chart is depicted on page 3) finishing the month with a gain of 1,050% Vs the S&P's total return of 254%. The ex. fee IRR rate of return stands at 16.5% or an average yearly return greater than 17%. After leaving Weeden & Co. 6 years ago, for the first time AUM nearly reached $100 million last month, reflecting a 100% increase in the past year. My personal financial commitment remains resolute with the continuous investment of 100% of my liquid net worth.

At month's end the S&P's winning streak without a 5% correction reached its 400th day. The previous streak ended in the summer of 1996 after lasting 394 days. Late note: The S&P declined below this level a few days into February. The S&P during the 1996 period gained 41.4%, while in this streak the S&P has gained 41.6%. For the record, after the last three streaks ended the S&P managed to reverse the decline that followed and renew the rally for at least another six months. A review of the two prior streaks which date from to the 1950's to 1962, shows a less fortunate outcome as other factors entered into the equation and a rebound failed to materialize.

A correlation analysis in the stock market's trading pattern for the past two years ending September reveals what has historically been a favorable outcome for stock prices over the two quarters that follow. There have been four other occurrences since the 1920's. On average the S&P has been higher over the next two quarters 100% of the time, the average gain six months later was 9% and for the record the S&P at its recent high exceeded those projections with a 13% advance.

Using another permutation on S&P's correlation analysis also ending September shows a historical gain of 7% three months later and for the record the S&P this time around advanced by 6.15%. Six months later the S&P had historically advanced by 10.7% and this time around the S&P exceeded those projections with an advance of 13%.

The two shallowest declines in the S&P in a year excluding last year's 2.8% decline, were in in 1995 with a 2.5% decline and in 1964 with a 3.5% decline. In the first month of the following year the S&P in 1996 advanced by 3.25% and in January 1966 advanced by 3.3% Vs a 5.6% gain last month.

The S&P's unabated rise is a rare phenomenon. One yardstick to quantify this uncommon advance can be found by monitoring the relative strength index or **RSI. RSI** is a momentum indicator that compares the magnitude of recent gains and losses over a specified time period to measure speed and change of price movements of a security or an Index. Most traders that monitor this gauge will use a 14- bar measurement to track overbought /oversold levels, using daily, weekly or monthly bars. On a monthly basis at month's end the 14-month RSI on the S&P reached 88, nearly a record. There have been a few periods near this lofty level in 1955, 1986 and 1996, and all suggested in the intermediate term outlook this level is not a concerning factor. On a weekly basis the reading rose to above 85 in the first week of trading this year which is very rare with only two other such occurrences, then peaked at 90 by month's end. The daily reading rose above 86 at the recent highs, one of only a few such incidences and the S&P did undergo a consolidation after reaching this threshold.

Late Note: The S&P was vulnerable to a consolidation/pullback entering the month. The breakout in bond yields to a multi-year high with a 20-basis point jump in yields in the past two weeks and nine basis points rise last Friday alone were the direct drivers for the stock market's decline. The market decline this week was much greater than anticipated and may have been a function of a massive margin call which astonishingly led to VIX reaching 50, a level which in the past has been associated with an event; Russian Crisis 1998, Recession 2002, 2008, Greece Crisis 2010, Sovereign debt concerns 2011. The narrative presently, driven by the potential for higher rates is on a relative basis not as concerning. Additionally, sharp market declines occurring after recent highs are typically not as worrisome.

S&P is in the midst earnings season and as stated nearly two years ago, earnings revisions based on the inputs that we use for modeling continue to suggest stability in the S&P 500 forecasts at least over the next two quarters. Earnings are expected to grow 12.2% for the quarter and if history is a guide this deep into the quarter, the outcome is likely to rise above 15% when finalized.

February, S&P 2,714 As stated in the last month's letter to investors on 2/7, "the market decline was much greater than anticipated and may have been a function of a massive margin call which astonishingly led to VIX reaching 50, a level which in the past has been associated with macro events; Russian Crisis 1998, Recessions 2002 and 2008, Greece Crisis 2010, Sovereign debt concerns 2011. The narrative presently, driven by the potential for higher rates, is on a relative basis is not as concerning".

Following the recent regime of low volatility and given the recent turbulence, it would be appropriate & timely to review prior bouts of volatility and how GMI's investors were impacted. Going back to 2002, during the two worst market declines - February 2002 to September 2002 and July 2007 to February 2009- the S&P declined cumulatively by -79%. GMI's gross cumulative returns during these two-time spans gained 2%. The table on the next page reflects a more granular focus and reviews the S&P's worst performances since 2002 VS GMI. The four largest monthly declines in the S&P totaled a cumulative loss of -48%, while GMI during these periods gained 2.22% and was higher in three out of four months. The average monthly decline in the S&P in the table was -8.22% while GMI declined on average -1.91% or an estimated exposure ratio of 23%. (1.91 / 8.22= 23%). Only two times was the **net exposure ratio greater than 90% (GMI divided by S&P),** first in January 2009 when GMI declined 9.1% and then gained 12.2% four months later, and second in May 2010 where after an -8.25% decline GMI gained 14.3% over the following eight months. Two times when **net exposure varied from 62% to 72%** and monthly declines were greater than -4.5% were in July 2002 where after a -5.1% decline GMI gained 25.9% four month later, followed by May 2012 where after a 4.6% decline the gain was 8.5% eight months later. Conversely, reviewing the best 20 monthly gains by the S&P, the average gain is 7.05% Vs 5.56% for GMI net of fees, or a 79% exposure, and over 100% of the gains before fees (the table is not included). In sum, GMI has managed to weather the market turbulence either on a monthly basis or over the next quarter or two. **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**

The S&P's Worse Monthly Returns Since 2002 VS GMI Returns

Worse Months	S&P Worst Declines	GMI	GMI/S&P
10/1/2008	-16.83%	2.58%	-15.34%
2/1/2009	-10.99%	-2.99%	27.22%
9/1/2002	-10.97%	0.58%	-5.29%
9/1/2008	-9.21%	2.05%	-22.24%
6/1/2008	-8.60%	-4.27%	49.62%
1/1/2009	-8.58%	-9.13%	106.40%
5/1/2010	-8.20%	-8.25%	100.58%
7/1/2002	-7.93%	-5.06%	63.83%
11/1/2008	-7.54%	-0.42%	5.58%
6/1/2002	-7.22%	4.76%	-65.88%
9/1/2011	-7.20%	-0.14%	1.96%
5/1/2012	-6.30%	-4.6%	72.34%
8/1/2015	-6.27%	-4.30%	68.60%
4/1/2002	-6.14%	-0.40%	6.53%
1/1/2008	-6.11%	-0.07%	1.13%
12/1/2002	-6.02%	-1.21%	20.0%
8/1/2011	-5.70%	-1.71%	30.0%
AVG	**-8.22%**	**-1.91%**	**23.10%**

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Using a correlation study going back to 1900 on the Dow Jones average and comparing the most recent downturn with similar historical downturns reveals sharply higher prices over the next four and 8 weeks. Using data from 1950, there have been 15 such occurrences. This time around just two weeks after the signal came into effect the S&P surpassed the four-week projection and very nearly the eight- week projection with an advance of 7.75%. For the record, the 11- day advance at 7.75% exceeded all other 11- day advances in this study.

The parallels between 2017 and 1964 have been discussed exhaustively in the past year and touch the eventual concerns in a tightening cycle circling around fears of a disorderly rise in market interest rates. In a slow cycle the process tends to be lengthier before concerns surface as compared to a fast cycle. 2017 and 1964 were the only two periods when a tightening cycle lasted into the 24th month **and** market rates flatlined following the initial hike in rates. Market volatility in 2017 and 1964 was also similar, and both also saw the S&P move higher nearly each month in the calendar year, in fact higher in 11 out of 12 months. Following the analog, in the following year, 1965, the S&P did decline by 10% in a month only to upright itself, moving back to new highs in a couple of months. A warranted decline for stock prices did manifest in 1966 when rates rose by 100 basis points to nearly 5%. Presently Interest rates are 200-basis lower than in 1966, while forward PE's between these two periods are somewhat similar.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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