

JWH MARKET COMMENTARY

APRIL 2008



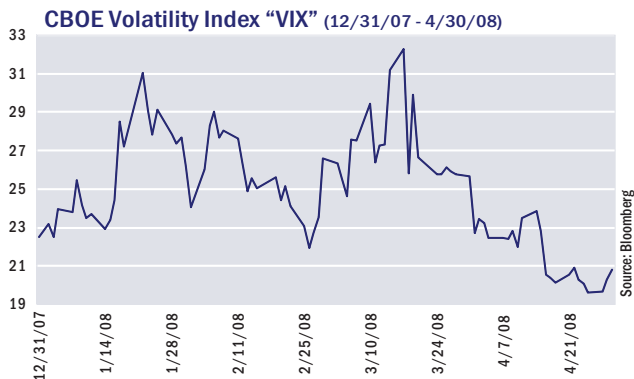
JOHN W
HENRY &
COMPANY

INC

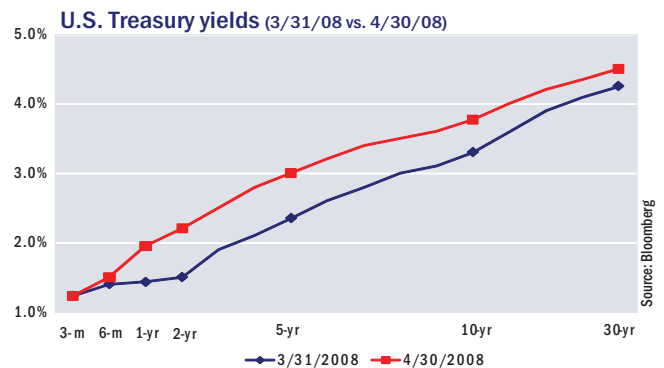
FED ACTIONS LED TO WIDESPREAD REVERSALS

JWH performance in April was negative as many of the long-term trends that have contributed to the positive year-to-date performance were interrupted or came to an end. The pessimism and fear that have gripped the market for much of the year began to ebb as the impact of massive monetary and fiscal stimuli was digested by traders and investors. In retrospect, the actions taken by the Federal Reserve Board (the Fed) in the second half of March to bail out Bear Stearns and add liquidity to the financial system marked an intermediate turning point in many markets. As volatility subsided and sentiment improved into April, long held positions were unwound. The negative performance of the JWH programs during the month is attributable to widespread trend reversals in most market sectors.

GLOBAL STOCK INDICES – The overall improvement in sentiment was evident in the stock market as the Dow Industrials closed April well off the March lows and near its high for the year. The S&P 500 rallied 4.8 percent in April, posting its best month in almost five-years. The CBOE Volatility Index (VIX), a popular measure of implied market volatility, which is sometimes referred to as the “fear index”, closed the month at 20.8 percent, more than 40 percent below its worst levels of March. In this environment of declining volatility, global equity indices rallied, reducing the profitability of open trades in this sector.



INTEREST RATES – The interest rate markets also experienced significant reversals in April as the combination of Fed policy, better-than-expected economic data and improving stock market performance combined to push intermediate-to-long-term global interest rates higher during the month. The Fed punctuated the month by announcing the seventh interest rate cut in eight months when it reduced the Federal Funds rate 25 basis points to 2 percent on April 30th. The economic data released during the month, including first quarter Gross Domestic Product, which was up 0.6 percent, did not prove to be as bad as the market expected and still leaves in doubt the question of whether the U.S. economy is or will be in a recession. Positions on the long end of the yield curve fared worse than others. Yield curves steepened as the possibility of an overshoot in monetary policy raises the specter for inflation down the road. Positions in European interest rate fared better than those in the U.S. and Asia, as stress in the European banking system slowed the rise in market interest rates during the month.

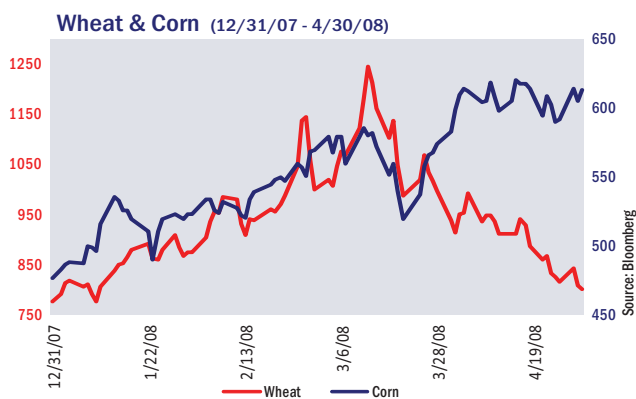


CURRENCIES – The currency markets were also unprofitable in April. The dollar, which had been under pressure for most of the year, staged a modest recovery in April. Positions in the low-yielding Japanese yen and Swiss franc were particularly hard hit, representing a significant reversal as these two currencies were the best performers when

market anxiety was at its height. The Australian dollar (one of the few bright spots in the sector) contributed positively to performance as it remained strong against the U.S. dollar, benefiting from the strong commodity markets and relatively high interest rates. Positions in non-dollar cross-rates were largely flat on the month and did not contribute significantly to performance in April.

METALS – The metals markets produced negative performance for the month. While gold remains under pressure and somewhat linked to the fortunes of the U.S. dollar, JWH models were able to adjust to the price action and limit losses. While not completely independent, base metals prices have been less correlated to big themes that have affected the financial markets this year. Positions in London copper were slightly profitable, as declining stocks and strong global demand continue to support prices.

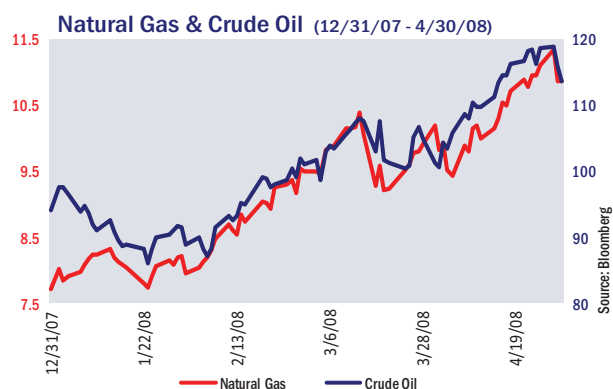
AGRICULTURAL COMMODITIES – Performance in agricultural commodities was mixed for the month. Price action was relatively tame when compared to the extreme volatility of the first quarter. Positions in the grain markets worked well as JWH programs profited from divergent trends in wheat and corn.



Small losses were incurred in the soft commodities as price action was largely directionless following the large declines of March.

ENERGIES – Positive performance for JWH's programs was achieved in the energy sector for the month. Crude oil continued its march higher bolstered by the positive funda-

mental backdrop of strong demand and tight supplies, which advanced crude oil prices more than 12 percent for the month. The higher prices have not deterred demand according to the International Energy Agency who reported on April 11th, that they expect that global demand to rise by close to 2 percent this year with Chinese consumption increasing by 5 percent. Unrest in Nigeria has exacerbated the supply situation with Royal Dutch Shell PLC declaring a force majeure on oil exports after daily output was suspended because of rebel attacks. Natural gas, reacting to different fundamentals also moved higher and contributed positively to performance.



CONCLUSION – While the performance of JWH's programs were negative in April, it was not unusual given the significant moves of the first quarter. Positive performance from the energy sector served to partially offset significant reversals in most of the financial markets during April. At the start of May, the programs are less exposed to the markets and factors that contributed to the recent decline in performance. Looking forward, the markets will likely focus on the strength of the global economy and the stability of asset prices. JWH stands ready to take positions in either direction as new trends assert themselves.

We thank you for your continued support.

K S Webster

Kenneth S. Webster

President and Chief Operating Officer

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS