JWH MARKET COMMENTARY

APRIL 2010

John W Henry & Company
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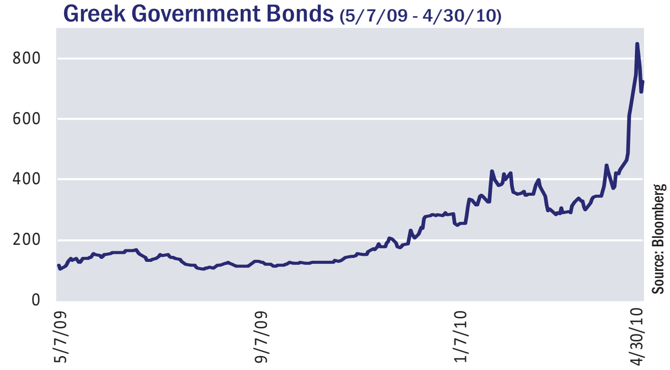
EU DRAMA WEIGHS ON WORLD ECONOMY

JWH programs turned in positive performance in April with returns ranging from 0.2 percent to 3.0 percent as the equity markets in the U.S. registered another monthly gain. While the macro-economic backdrop that has supported the extended trend higher in equity prices remains intact, cracks in the foundation appeared to be starting to emerge at the end of the month. Accommodative fiscal and monetary policy in the U.S., lower market volatility and improving economic data and earnings have all been positive influences on equity market valuations. The events of April suggest that the road forward for equities and other risk assets may be less clear. Most notable is the markets' focus on the fiscal position of Greece and other European nations. JWH's positions in certain European currencies and interest rate futures had a positive impact on performance during the month. In mid-April, news broke that Goldman Sachs is being sued by the SEC for fraud relating to the sale of certain mortgage-backed collateralized debt obligations. At month end, the market had recovered from the initial sell-off on this news but the long-term implications in terms of financial regulation and market practices remained to be seen.

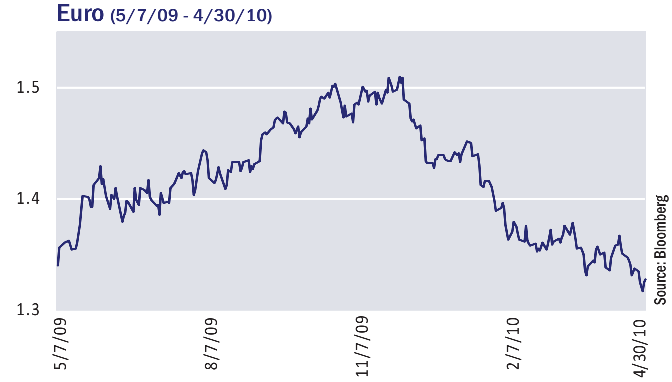
INTEREST RATES – The interest rate sector contributed positively to performance in April with positions in European futures contracts leading the way. The turmoil in Greece and the concomitant concerns about credit risk and the impact the crisis will have on the overall European economy prompted investors to seek the safety of German government bonds. The price of the benchmark Bund contract made a clear break from recent ranges to finish the month up 150 points. In the U.S., demand for treasuries remains strong. According to data compiled by Bloomberg, on average, the U.S. Treasury received $3.21 in bids for each dollar sold at 10-year auctions this year, compared with $2.63 in 2009 and $2.41 from 2004 through 2008. The Federal Reserve Board (the Fed) has indicated through their actions and their words that they are not overly concerned about the threat of inflation in the near term. In his testimony to Congress, the Fed's Chairman, Ben Bernanke, stated that the "moderation in inflation has been broadly based." While bonds in the U.S. did not enjoy the same rally as those in Europe, benchmark U.S. 10-year yields did decline from 3.82 percent to 3.65 percent during the month.

Greek Government Bonds (5/7/09 - 4/30/10)



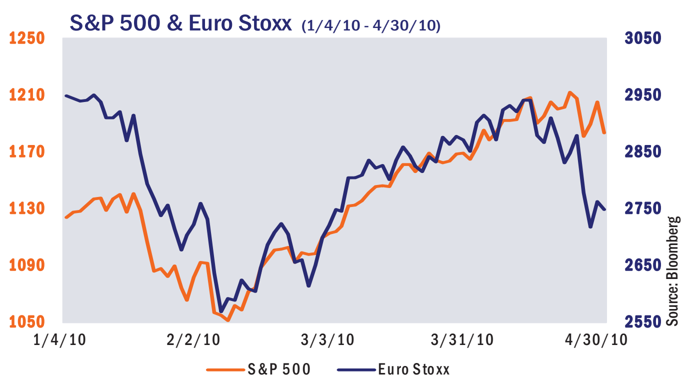
CURRENCIES – The developments in Europe were also an important factor influencing exchange rates during the month. Concerns about the ability of Greece and other European nations, such as Portugal and Spain, to meet their debt obligations weighed on the euro for much of the month.

Euro (5/7/09 - 4/30/10)

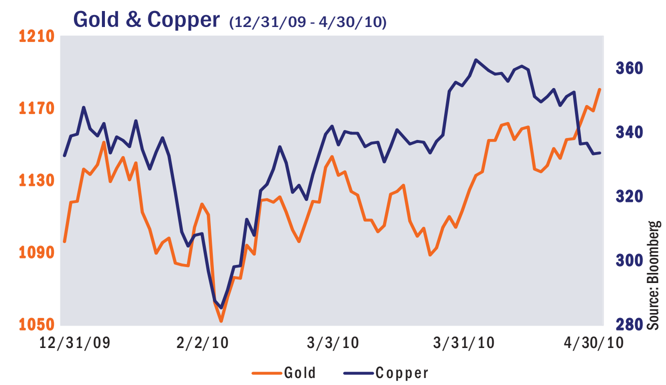


The trend in interest rate differential also favored the dollar versus the euro as both short and long-term rates in Europe declined at a faster pace than those in the U.S. The euro declined from 1.3510 to 1.3294 during the month, making it one of the best-performing markets in the sector.

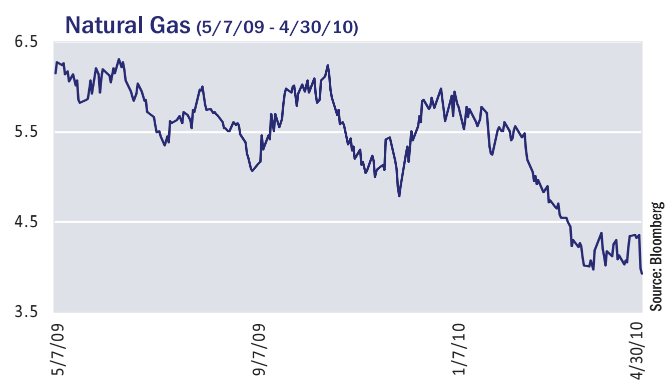
GLOBAL STOCK INDICES – Global stock markets showed signs of diverging in April. The S&P 500 posted another positive month as it gained 1.6 percent during April. European stocks, on the other hand, fell during the month with the Euro Stoxx 50 index registering a 3.57 percent decline. U.S. stocks were able to overcome a wall of worry that included an environmental disaster in the Gulf of Mexico, a failed terrorist attack in NYC and the SEC bringing suit against a major U.S. investment bank. Positions in U.S. equity futures were profitable but were not enough to offset losses from European positions. The P/L from positions in Japanese markets was virtually flat as the benchmark Nikkei 225 finished the month down 27 basis points.



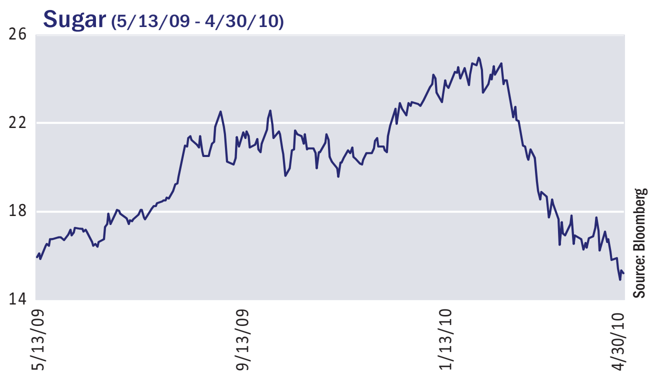
METALS – Trading in the metals markets detracted from performance during the month as gains from positions in precious metals were not enough to offset losses from positions in industrial metals. Copper finished the month down 4.7 percent even after making a fresh 52-week high during the month. The strength of the dollar and concerns about a slowdown in growth in China pressured the markets. At month-end, the International Copper Study Group reported that copper supply may outpace demand by 578,000 metric tons this year compared to a surplus of 195,000 tons last year. Aluminum generally tracked copper lower.



ENERGIES – Trading in the energy sector was profitable in April with gains coming from both petroleum-based products and natural gas. Natural gas finished the month modestly lower, spending most of the month in a range near $4/btu after the big decline in March. At the end of the month, the Department of Energy reported a bigger-than-expected increase in underground natural gas storage. The crude oil market was also relatively quiet despite news of a catastrophic accident at a British Petroleum oil rig in the Gulf of Mexico, where an explosion killed eleven people and spilled more than a million gallons of oil into the Gulf. Crude rallied just over $2.00 for the month.



AGRICULTURAL COMMODITIES – The agriculture sector turned in a mixed performance as small gains from cattle, cotton and sugar were not enough to offset losses from other markets in the sector. Unique market dynamics played out across the sector. Grains traded in a generally lackluster and directionless pattern for most of the month. Sugar prices continued to fall as Brazil, the world's largest growing region, increased output by 77 percent in April adding to performance. Cotton moves were less pronounced resulting in flat performance for the month.



CONCLUSION – JWH's programs were able to deliver positive performance for April amid growing concerns around the world regarding the ramifications of a potential failure in Greece, and other European Union (EU) countries. The lack of viable actions by the EU as of April's close is beginning to erode global investor confidence. There is an ongoing debate between market participants and observers about whether the U.S. can survive an EU contagion with little impact to what has appeared to be an increasing solidification of its own recovery. While the U.S. outwardly appears to be making significant progress marked by positive corporate earnings, consecutive unemployment reductions and continued government support of a fragile economic recovery, we are far from stable. It should be clear to us all after experiencing 2008 that linkages exist between global and domestic economic harmony.

We are in the midst of the largest global transformation of our lifetimes that includes market and derivative trading reconstruction, global financial regulatory overhaul and mounting environmental safety concerns from natural disasters including volcanic eruptions and earthquakes to "not so natural" disasters in the Gulf of Mexico. All of these changes will have global reach and serious financial implications. The eventual outcomes have the potential to cause even greater long-term disruptions to the linkages in our world economy. We remain confident that our disciplined systematic approach to trading in the global futures markets will continue to provide our investors a way to diversify their portfolios and participate in these markets without having to try and predict the eventual outcomes of this endless list of transformation catalysts.

We thank you for your patience and continued support.

Kenneth S. Webster
President and Chief Operating Officer

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS