

JWH MARKET COMMENTARY

APRIL 2007



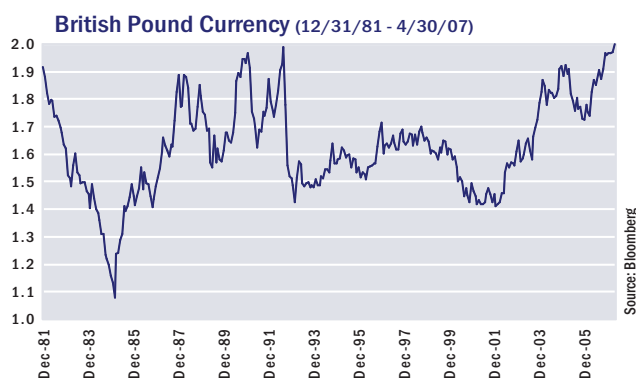
JOHN W
HENRY &
COMPANY

INC

DIRECTIONAL MOVEMENTS DRIVE PROFITABILITY

Ten out of the eleven JWH programs were positive for the month of April. JWH's disciplined systematic trading approach took advantage of opportunities that emerged as global financial markets recovered from the short-term dislocation that occurred at the end of February and continued into March. This transition, which caused losses when JWH's systematic models exited positions as markets suffered sharp reversals, appears to have laid the foundation for a major shift in trends. JWH's programs benefited from sustained profitable trends that developed in numerous sectors. Currency positions were particularly profitable as various previously range-bound currencies set historic highs and lows.

CURRENCIES SET RECORD HIGHS AND LOWS – The euro reached an all-time high against both the U.S. dollar and the Japanese yen, while the British pound reached a 25-year high against the dollar as shown below.



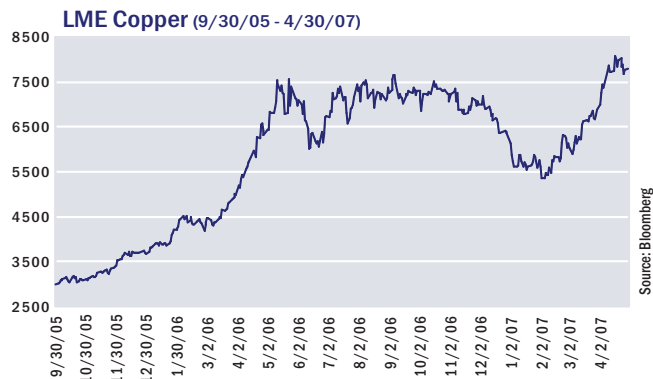
For the month, the dollar dropped 2.2 percent against the euro and 1.6 percent versus the pound. The dollar weakened as investors speculated that the Federal Reserve Board would cut borrowing costs to strengthen the U.S. economy; at the same time, expectations grew that the European Central Bank and the Bank of England would raise rates to tame inflation as their

economies strengthened. The Japanese yen reached a record low against the euro and was weaker against major currencies as investors reestablished the carry trade. This allows them to borrow cheaply in Japan to buy higher-yielding assets elsewhere, thereby taking advantage of the borrowing costs of Japanese yen, which is the lowest among major currencies.

THE EQUITY BULL RETURNS – Stronger-than-expected 1st quarter earnings, an increase in mergers and acquisitions, economic growth in Europe, and benign inflation in the U.S. drove global equity prices higher. In April, the S&P 500 gained 4.3 percent, the Dow Jones Industrial Average soared 5.7 percent, the Nasdaq rose 4.3 percent and the Euro Stoxx 50 gained .2 percent. However, equity markets once again demonstrated how their recent apprehensive nature can quickly cause trend reversals. Asian stocks fell on April 19th in reaction to China's benchmark CSI 300 Index falling 4.7 percent. The fall in Chinese equities once again created fears that the sell-off would trigger another drop in global equity markets. Although the drop was only temporary, the markets' overreaction caused JWH to prematurely exit positions.

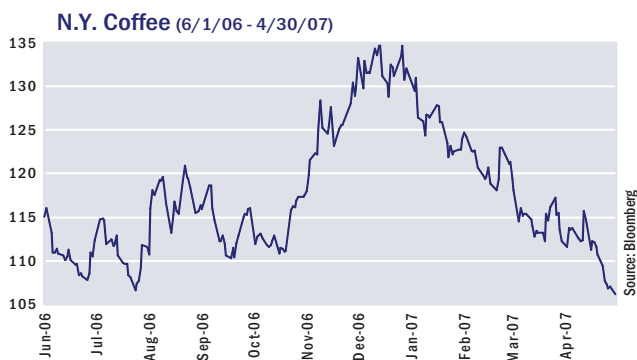
METALS ARE STRONG – LME copper strengthened in April, trading as high as \$8,100 per tonne on April 17th, the highest it has been in more than seven months as shown in the chart on page 2. Supply disruptions and demand from China, the world's largest user, drove prices higher during the month. April's rally resulted in year-to-date gains for LME copper of 23 percent and N.Y. copper gaining 24 percent. Gold also added to JWH's performance as the precious metal reached an 11 month high when demand for a hedge against the weak-

ness in the dollar increased.

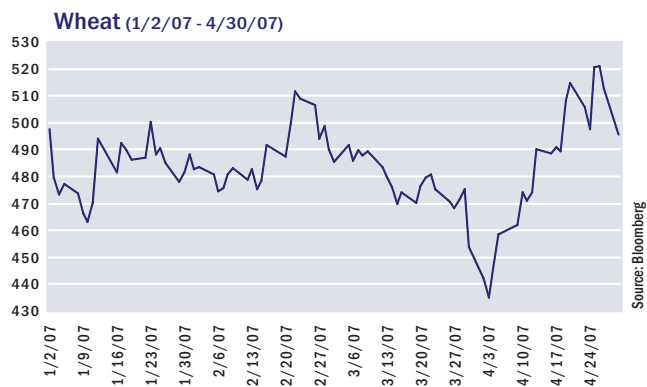


SUPPLY DRIVES AGRICULTURAL COMMODITIES

LOWER – JWH’s programs profited in agricultural commodities from strong trends in N.Y. cotton and coffee. N.Y. cotton trended lower throughout April as supply continued to overwhelm demand. U.S. exports to China, the largest consumer of the fiber, fell to 1.5 million bales in the marketing year from 5.4 million bales a year earlier. Cotton for July delivery ended the month at 49.26 cents a pound on NYBOT, the lowest close for a most-active contract since November 3rd, 2006. N.Y. coffee continued to trend lower and fell to a six-month low due to an 18 percent increase in inventories from last year and larger-than-expected output from Brazil (see below).

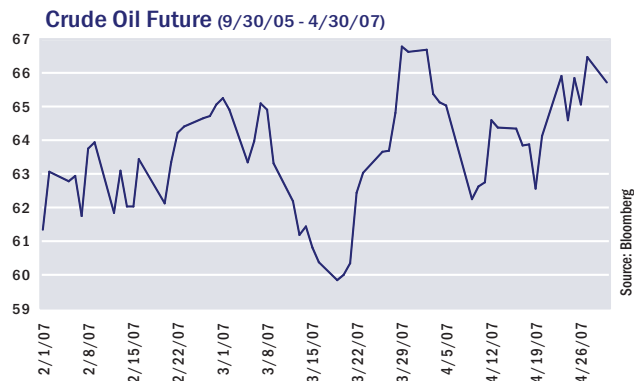


CBOT wheat limited performance as freezing temperatures at the beginning of the month caused damage to the wheat crop. Wheat, which had been trending lower prior to the cold weather, suffered a reversal due to the resulting global supply concerns.



GEOPOLITICAL EVENTS AND WEATHER CONTINUED TO DRIVE ENERGY PRICES

– The majority of JWH’s programs had negative performance in energies as weather and geopolitical events once again were the driving force behind price movements. Natural gas, the sector’s worst performer, fluctuated throughout the month as weather drove demand. Crude oil also hurt performance as prices oscillated and closed at \$62.56 a barrel on April 19th before reversing to \$66.70 a barrel on April 27th. This reversal occurred when Saudi Arabian authorities announced the arrest of more than 170 suspected terrorists, who were reportedly plotting to attack the country’s oil facilities.



ECONOMIC UNCERTAINTY PLAGUES FIXED INCOME MARKETS

– JWH’s programs suffered losses in global fixed income markets as uncertainty grew over the interest rate policy of the central banks of the world’s two largest economies. Both U.S. Treasuries and Japanese Government 10-year Bonds (JGBs) were trendless in April as the markets’ interest rate expectations shifted

with each economic release about the current health of the U.S. and Japanese economies. While uncertainty surrounded the state of these two economies, the strength of the German and British economies was clear.

The German Benchmark 10-year bund led performance as stronger growth and increased fears of inflation sent yields to their highest level since August 2005. The sell-off in European fixed income limited losses within the programs as yields touched multi-year highs.

CONCLUSION – Performance was positive for the month as new trends materialized in the aftermath of the market dislocations caused by the overreaction to the drop in global equity markets towards the end of the 1st quarter. The JWH programs benefited as range-bound markets, which have been detrimental to the programs' performance, gave way to potentially strong directional movements. JWH will continue to apply its disciplined systematic trading approach to potentially take advantage of continuing or new opportunities as they present themselves.

We thank you for your continued support.



Kenneth S. Webster
President and Chief Operating Officer

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS