JWH MARKET COMMENTARY

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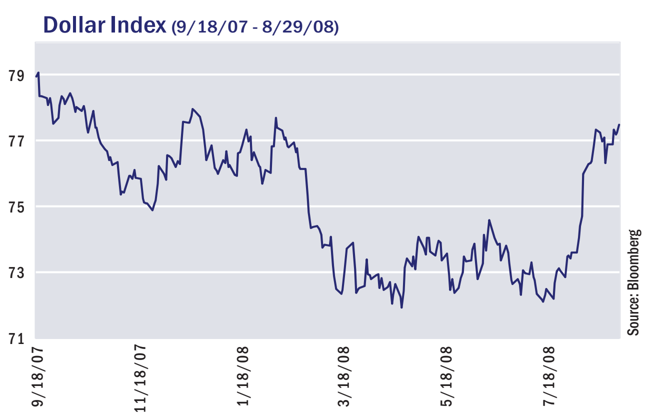
INC

MAJOR TREND REVERSALS LED TO NEW OPPORTUNITIES IN AUGUST

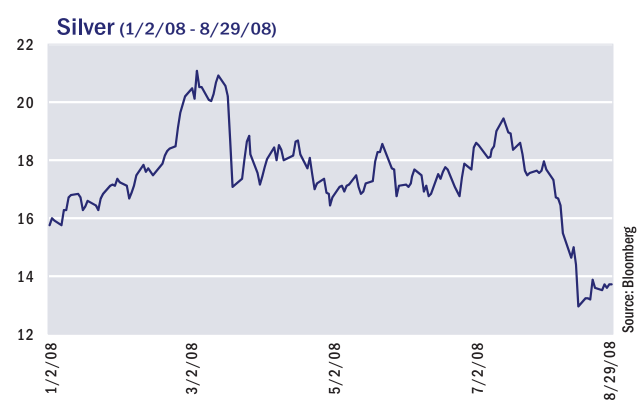
Positive performance was achieved in three out of the four available JWH programs for the month of August. JWH GlobalAnalytics® ("GA"), Financial & Metals Portfolio ("F&M") and International Foreign Exchange Program ("FX") ended the month with positive returns as a number of major market moves in the currency and energy sectors that began last month and contributed negatively to July's performance followed through in August. These moves served as a major source of these program's returns as the portfolios shifted to reflect new trends in energy, metals and the U.S. dollar. JWH Diversified Plus ("DP") utilizes a longer-term view of the markets and held many positions through July and August in anticipation of a return to the longer-term trends that had been in place for some time. In this instance those trends did not re-emerge and therefore the program incurred additional losses in August. In spite of headlines that focused on the crisis in the credit markets, U.S. presidential elections and continued softening in the global economy, some major stock and bond markets managed to inch higher during the month amidst declining volatility having little impact on the performance of the JWH programs.

CURRENCIES – The dollar, as measured by the dollar index, surged 5 percent in August and, by the end of the month, was more than 8 percent above the low of mid-July.



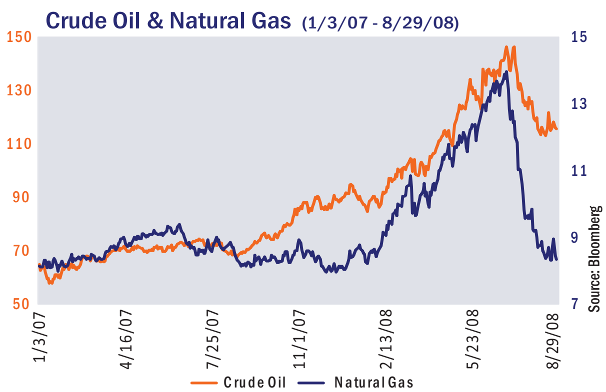
The Federal Open Market Committee statement, which was released early in August, acknowledged that the Federal Reserve Board (the Fed) had "significant concern about the upside risk to inflation". Considering the weakened state of the U.S. credit markets and the overall economy, this new language inferred that the value of the dollar might weigh more heavily on any future decision by the Fed to lower interest rates. At the same time, the economic data from other countries was showing weakness, casting doubt on the de-coupling thesis that the rest of the global economy would be immune from the slowdown in the U.S. In fact, the German IFO survey, a popular measurement of German business sentiment, was released near the end of the month and registered the lowest reading in more than three years. Other factors that supported the dollar were narrowing interest rate differentials, technical factors related to the liquidation of long-held dollar shorts, weakness in the commodity sector and the unwinding of commodity-linked trades. The currency sector produced positive performance in August.

METALS – The metals markets were influenced by the dollar rally and the decline in demand for commodities. The price of gold followed through on the reversal that began in July and declined nearly 10 percent further in August.



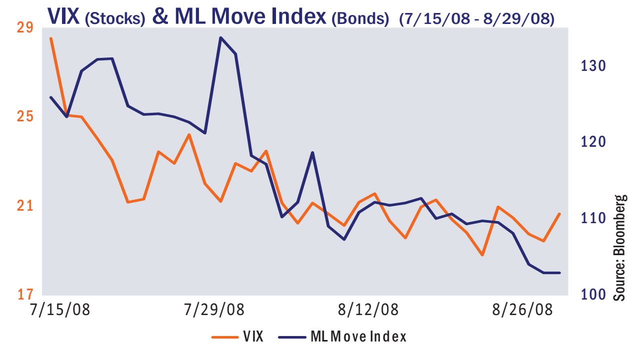
Silver also moved sharply to the downside and was the biggest contributor to the sector's positive performance. The price of base metals, including aluminum and copper, also declined during the month, trading off similar fundamentals as gold adding to the sectors overall positive results.

ENERGIES – The energy markets continued their decline from the record highs that were made earlier in the summer. Signs that the extended run up in energy prices are having an effect on consumer behavior and overall demand continue to show up in sector data reports. For example, the Energy Information Administration report for week ending August 22nd showed a larger-than-expected build up in natural gas inventories pushing them close to the high end of the five-year range for this time of the year. This deteriorating supply/demand dynamic combined with a strengthening dollar weighed on both crude oil and natural gas with both markets declining by more than 8 percent for the month. Forecasts near the end of the month predicting hurricane Gustav would hit the important oil and natural gas areas in the U.S. Gulf region provided only modest and temporary support for the markets.



AGRICULTURAL COMMODITIES – Trading in the agricultural markets was unprofitable in August. In general the price action was choppy and idiosyncratic. These commodities as a group did not respond to the strength in the dollar in the same way as the energy and metals markets. The gains from trading in the bean oil and cotton market did not offset the accumulation of small losses in the other markets in the sector.

GLOBAL STOCK INDICES – Despite the turmoil in the currency and commodity markets, the price action in the stock and bonds markets was relatively subdued as can be seen by the decline of both the VIX and Merrill Lynch Move indices.



Most major stock markets shrugged off negative news and fundamentals, including worsening credit conditions, the prospect of a government bailout of Fannie Mae and Freddie Mac and geo-political tensions with Russia, to post either slightly positive or slightly negative returns for the month. For example, the total return of the S&P 500 for the month was positive 1.4 percent; the total return of the German Dax Index for the month was negative 0.88 percent. JWH positions in global equity index futures were slightly negative during August.

INTEREST RATES – The global government bond market also experienced lower volatility in August as most markets labored to move slightly higher. Declining commodities prices and a stronger dollar were positive developments that affected the outlook on inflation. Global bonds may have also benefited from a flight to quality as the crisis in the credit markets, and in particular U.S. Government Sponsored Enterprises, intensified in August. In addition and on balance, the data released during the month suggested a slowing global economy. Overall, JWH's net exposure in the bond markets was profitable as gains from positions in Japanese and U.S. interest rates offset losses from positions in European government bonds.

CONCLUSION – JWH's programs displayed a true diversity in models and approach to positioning in some of the market sectors traded in August. GA's ability to utilize multiple position signals that vary timing from very short-term to very long-term allowed for a quick repositioning in some markets and a recovery of a significant portion of July's losses. The longer-term nature of the models utilized by DP, which has historically produced exceptional positive results, held positions in some of those same markets following signals that indicated that the long-term trends that were in effect prior to July's sharp reversals were likely to continue. F&M and FX identified new trends in favor of the U.S. dollar that allowed those programs to profit from the steady rise in the dollar throughout the month. These programs act independently of one another with the same ultimate goal of providing long-term positive absolute returns for investors that are historically non-correlated to the overall stock and bond markets. We believe that all the program's benefit from having a long-term investment perspective. One of the difficulties in maintaining that perspective is that we will see periods where performance will suffer when markets move in an abrupt and violent fashion as commodities have recently encountered. The differences in these programs and their underlying models will result in performance variations based upon the style, timing employed and markets traded.

We remain confident in the efficacy of these programs and thank you for your continued support.

Kenneth S. Webster
President and Chief Operating Officer

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS