

JWH MARKET COMMENTARY

FEBRUARY 2009



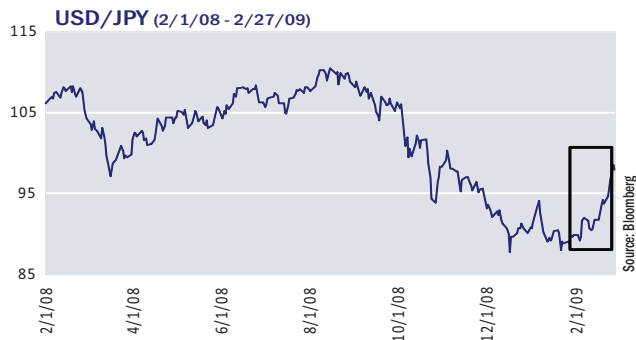
JOHN W
HENRY &
COMPANY

INC

ADMINISTRATION'S ACTIONS LEAVE MARKETS GUESSING

The focus of the markets and trading conditions in February were very similar to those that prevailed in January. JWH GlobalAnalytics[®], our largest diversified program, turned in a positive 1.4 percent for the month joined by our sector specific JWH World Commodity Portfolio continuing its positive run gaining 2.5 percent. JWH's other programs suffered losses between 0.1 percent and 3.3 percent, attributable largely to an abrupt reversal in the value of the Japanese yen. The S&P 500 followed up the worst January on record with a near 11 percent decline in February. The stability of the U.S. banking system continues to be a major concern as speculation increased that the U.S. would be forced to nationalize its largest banks. At the same time, economic data continues to point to weakening global economic conditions, including a rapid deterioration in the unemployment picture. The domestic unemployment rate, rose to 7.6 percent in January. February also brought new allegations of fraud in the investment management business. All of these factors weighed on global equity prices, which helped JWH capture profits from that sector.

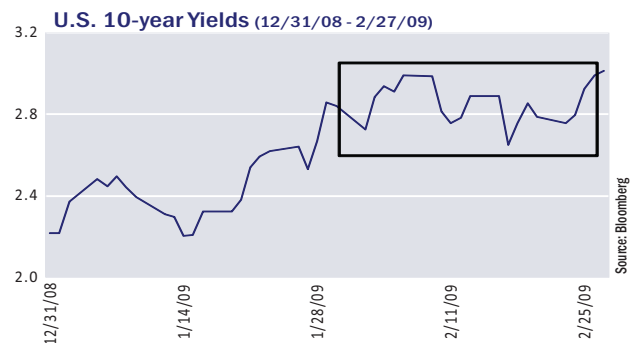
CURRENCIES – Currencies were the worst performing sector for JWH performance last month. These losses can be attributed largely to positions in the Japanese yen. The dollar rallied from a rate of 89.92 to 97.57 against the yen for a gain of more than 8.5 percent during the month.



This price action disrupted long-term price trends in USD/JPY and was also notable because it represented a break down in the recent linkage between weakness in the

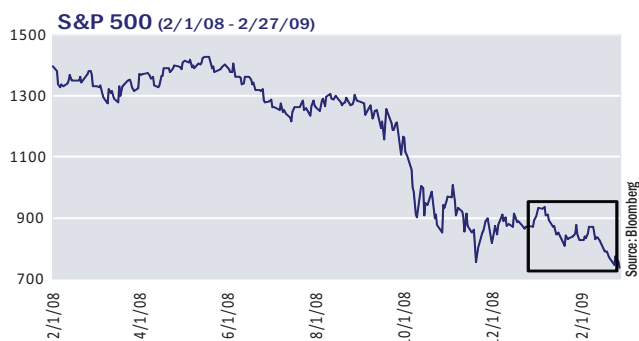
global equity prices and the strength of the yen. Weaker industrial production numbers and evidence that Japan's economy, the world's second largest, contracted by 3.3 percent in the fourth quarter were important factors. Despite the problems facing the U.S. economy, the allure of the dollar has become broader-based. Performance from positions in other major currencies was largely flat for the month.

INTEREST RATES – Trading in the interest rate sector was quiet in February, despite the continued weakness in the equity market.



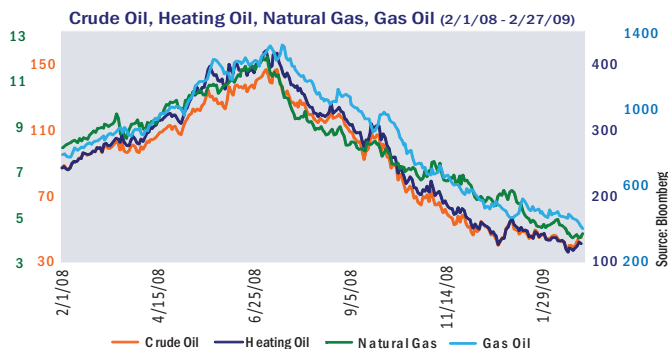
Concern about the size and nature of the fiscal stimulus being proposed by the new administration may have prompted enough selling across the yield curve to offset "flight-to-quality" flow stemming from risk reduction. Economic data continues to point to a very weak global economy. In fact, the minutes from the January 27th and 28th U.S. Federal Reserve Board (the Fed) meeting were released in the middle of the month. It indicated that the Fed cut its growth forecast sharply, projecting that the U.S. economy could shrink by as much as 1.3 percent this year due to rising unemployment, frozen credit markets and continued weakness in the housing markets. Despite dour sentiment, the price action in most markets was relatively constrained. JWH positioning was light for most of the month. Performance results for this sector were flat for the month.

GLOBAL STOCK INDICES – The big headlines in February emanated from the stock market as the dismal start to the year carried over into February. The market was disappointed with the lack of detail in the government’s plans to remove toxic assets from the banking system. This further pressured the financial sector, leading to speculation that many of the large U.S. banks could be nationalized. The financial sector continued to get pounded as it became apparent that the banking system would require additional support from the government. The S&P 500 and the MSCI-EAFE suffered an approximate 11 percent decline in February. JWH trading in equities was slightly profitable, with the biggest gain coming from positions in European stocks.



METALS – Trading in metals was flat during the month. Gold started the month strong and surged above \$1,000 per ounce in the second half of the month before suffering from a significant correction near month end. The net advance for the month was \$14 per ounce. Silver did not enjoy the same flight-to-quality flows as gold and traded in a less directional price pattern. Trading in base metals was also flat as the market remained range-bound following the big declines at the end of 2008.

ENERGIES – The energy sector continues to be an important engine of performance for the programs as the sector once again generated positive monthly performance.



All markets in the sector were profitable as prices continued to grind lower during the month without any single market having an extraordinary move. Economic contraction and the slowing demand for energy trumped OPEC rhetoric. London gas oil was the best-performing market in the sector during February as it fell almost 15 percent for the month.

AGRICULTURAL COMMODITIES – The agricultural sector was also profitable in February. Positions in U.S. grain markets were profitable as the supply/demand equation deteriorated in the U.S. and pressured prices. Soft commodities also fell victim to the global recession and continued to slide. Positions in cotton and wheat were profitable. Overall, volatility in the agricultural sector was relatively low during the month, but prices moved enough to generate positive return for JWH’s programs.

CONCLUSION – We remain in an environment of uncertainty and instability in 2009 with all waiting to see what the next steps will be from the new Obama administration. While you can find supporters of the actions taken to date you can also find just as many opposing those actions causing a struggle that is mired in emotional and political controversy. Beyond the continued decline in the equity sector, movement in many sectors remains constrained as opposing forces keep those markets from moving too far in any one direction. The resulting decline in volatility throughout these sectors has brought down the overall volatility of the programs and has allowed for certain risk management parameters to further protect the programs from sudden trend reversals. While we cannot predict future performance, JWH is pleased with the performance of the programs through this historic period and stands ready to participate and potentially capture profits once the next wave of trends emerge.

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