

JWH MARKET COMMENTARY

JANUARY 2007



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COMPANY

INC

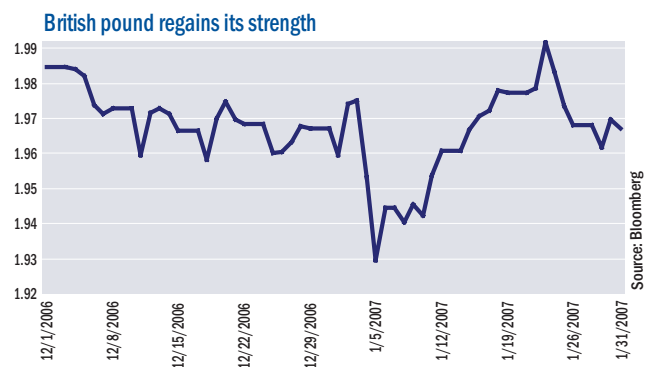
MARKET ANTICIPATION CREATES A MIXED START TO THE YEAR

The performance of JWH programs during the month of January was mixed. Financial programs generated positive returns while diversified programs suffered losses. The difficult trading environment JWH programs encountered was due to trend reversals in the currency and energy sectors. The firm's disciplined systematic investment style is not conducive to short-term marketmoving events that cause spikes in volatility resulting in strong reversals. In January, these marketmoving events were once again connected or correlated with reversals in economic growth and inflation expectations. Conflicting information on the U.S. economy, coupled with uncertainty about the reaction of the Federal Reserve Board (Fed) and other central banks to current economic data, continued to leave currency markets susceptible to sudden changes in market sentiment. Seven of the firm's twelve programs were negative as large allocations to the currency sector hurt performance in JWH's broadly diversified, foreign exchange and multiple style programs.

CURRENCIES CONTINUE TO OSCILLATE – Trend-less currency markets have caused investors to attempt to anticipate economic data releases and central bank policy announcements in the hopes of gaining insight into the health of the world's largest economies. The slightest miscalculation in market forecasts has resulted in overreaction by investors. This short-term focus on economic and market indicators has been a major cause of the choppy behavior in currency markets and has been detrimental to long-term trend followers, as the overall longer-term economic picture has seemingly been ignored.

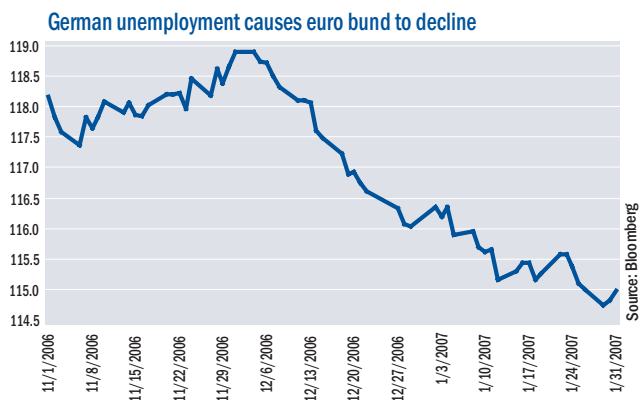
Stronger-than-expected U.S. economic data and the release of hawkish minutes from the Fed's December meeting stunned currency markets at the beginning of January. The British pound fell to \$1.9296 versus the dollar on

January 5th after rising to \$1.9849 on December 1st, 2006, the highest it had been since September 1992. Then on January 11th, the British pound resumed its strengthening trend once again against the dollar after the Bank of England unexpectedly raised rates. This sharp reversal led the currency to a 14-year high of \$1.9916 against the dollar. The surprising strength in the U.S. economy added fuel to the U.S. dollar's weakening trend against the euro and the British pound.

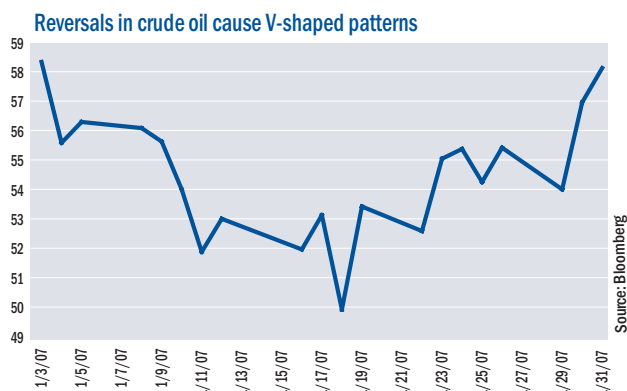


INTEREST RATES CONTINUE TO TREND HIGHER – JWH's financial programs all had positive performance during January as the weakening trend in European and U.S. fixed income markets remained strong enough to withstand the speculation and surprises that plagued the currency and other sectors. Although a negative for currency markets, the unexpected rate increase by the Bank of England caused yields to soar. Stronger-than-expected growth and fears of increasing inflation led European 10-year bond yields to reach six-month highs and U.K. two-year gilt yields to move toward five-year highs. German debt (euro bund) fell during the month as unemployment in Germany declined to its lowest level in almost five years while retail sales rose more than expected. U.S. Treasuries also helped performance as the U.S. 10-year note yield touched 4.9 percent on January 26th, the highest since August 16th

2006, as the world's largest economy expanded at a faster pace in the fourth quarter than economists expected.



VOLATILITY DAMPENS ENERGIES – Changing weather conditions caused extreme volatility for energy products. Many prices of the components of this sector formed V-shaped patterns with reversals causing prices to end the month close to the levels where they began. Crude oil prices fell during the first half of the month as the Northeast experienced warmer-than-expected weather, which led to decreased demand and lower energy prices. While the warm weather caused crude oil prices to reach a 19-month low of \$49.90 a barrel, forecasts of colder weather throughout February reversed the weakening trend and sent energy prices upward to end the month close to the months opening levels. On January 30th, natural gas rose 12 percent and closed at its highest price since December 4th. Natural gas futures ended the month with a 21 percent gain while crude oil rebounded to finish the month flat. Despite the large directional moves, the reversals combined with the short-term nature of these moves prohibited JWH's programs from profiting.



CONCLUSION – Performance in JWH's non-financial programs struggled during the month as currencies and energies suffered sharp reversals. JWH financial programs were able to profit from the continued sell-off in fixed income markets. Overall, short-term marketmoving events continued to result in strong reversals or trend-less markets. JWH appreciates your patience during this difficult market environment. While we remain committed to a core philosophy of disciplined, systematic trend following we have, nevertheless, amplified our research efforts as we strive for further diversification of our trading models and their time frames.

We thank you for your continued support.

KS Webster

Kenneth S. Webster
President and Chief Operating Officer

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS