

JWH MARKET COMMENTARY

JUNE 2010

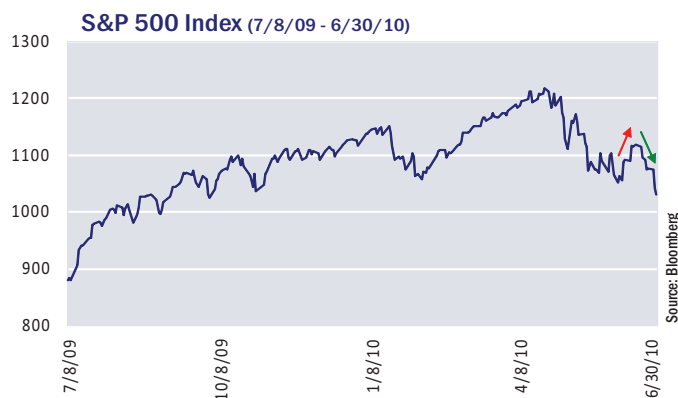


JOHN W
HENRY &
COMPANY
INC

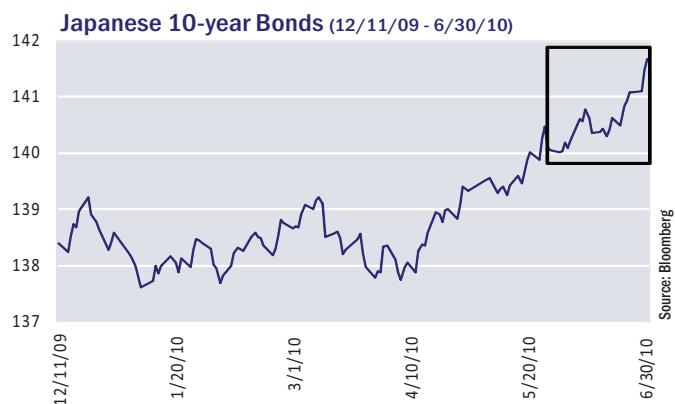
CLOUDS OF UNCERTAINTY HANG OVER THE GLOBAL MARKETS

June's performance for JWH's programs varied due to a cloud of uncertainty which remained over the markets during the month. This was attributable to the debate over the long-term effects of financial instability in Europe lingering and China's growth projections showing a slowdown rattling confidence in the global economic recovery. The loss of confidence by investors that is currently plaguing the markets ultimately drove debt yields lower and catapulted gold to a record high.

GLOBAL STOCK INDICES – Performance in equity indices was generally flat in June as the global stock markets fluctuated with broad rallies during the first half of the month driven by strong earnings reports breathing some life into the economic recovery story. However, equity markets began a steady retreat mid-month following another downgrade of Greece's credit rating, the lack of direction with the cleanup of oil in the Gulf of Mexico and a negative growth report out of China. Japan (Nikkei 225) rallied 4.8 percent during the early part of the month, followed by an 8.4 percent drop in the latter part of June. European (EuroStoxx) markets advanced 5.2 percent before declining 7 percent, while U.S. markets (Nasdaq) rallied 3.3 percent before falling 9.1 percent.

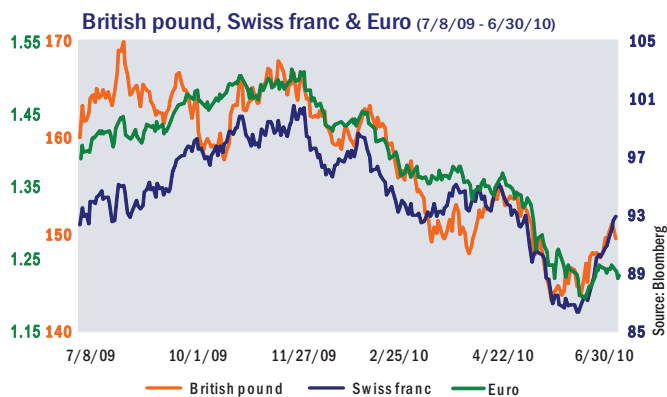


INTEREST RATES – The interest rate sector provided the best returns for many JWH programs during the month as growing fear of a double-dip recession sent investors flocking to the relative safety of government debt, despite the low yields. Japan's 10-year bond provided the best single-market return for the majority of JWH's programs after the new Prime Minister vowed to reduce the world's largest public debt and said he would consider increasing the consumption tax to increase revenues. He pledged to balance the government's books within 10-years, restrict debt sales and overhaul the tax system. Analysts say this works to reduce risk premiums and drive down yields. Prices also moved higher due to general risk aversion and the renewed weakness in the overseas equity markets. U.S. treasuries were strong across the yield curve with gains accelerating during the last week of the month as equities plunged.

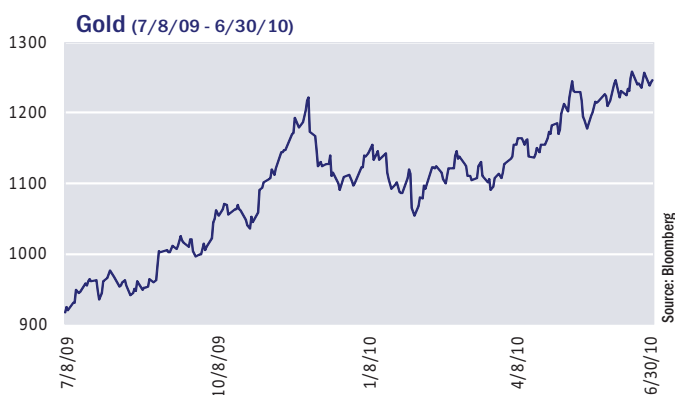


CURRENCIES – Trading in the currency markets was generally unprofitable as the recent dollar strength rally came to a halt. Despite the continued uncertainty surrounding the global recovery, strong demand at Spain's debt auctions was an initial catalyst for European currencies as Spain was initially thought to be in a fiscal crisis similar to Greece. The Swiss franc was especially strong as the central bank stated that deflationary risks had largely disappeared. In addi-

tion, the Swiss National Bank softened its stance on fighting franc gains, which also served as a strong catalyst for the currency. The British pound also rallied during the 2nd half of the month as better-than-expected retail sales in the U.K. boosted speculation that the economic recovery there is gaining momentum. The government also announced spending cuts aimed at reducing the budget deficit and helping to sustain the country's top credit rating.

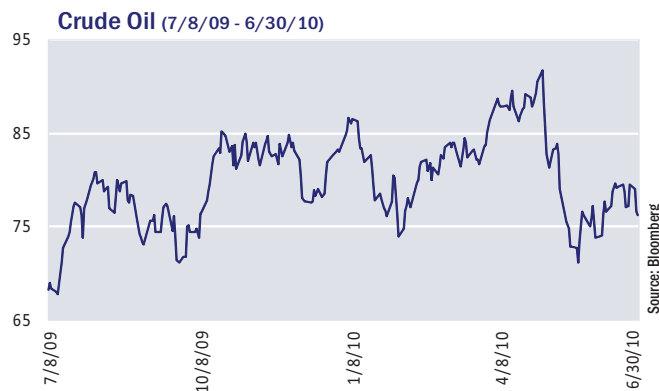


METALS – Trading in the metals sector was profitable in June as gold rallied to a record high with investors pouring funds into the market as double-dip recession fears were revived. Gold profited from its status as a safe haven as central banks, pension funds and individual buyers amassed their holdings to shield wealth from Europe's financial turbulence and uncertainty in the global economy.



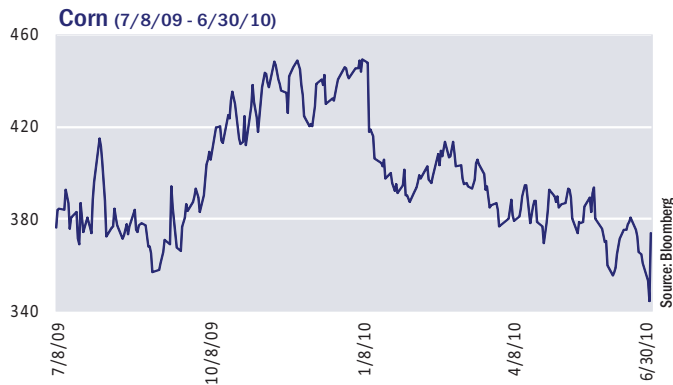
ENERGIES – Trading in the energy sector was unprofitable for the month as fluctuations in economic sentiment caused reversals mid-month across the entire complex. The month started off with a positive outlook, causing energies to rally as equities surged after

economic reports from China, Japan and Australia indicated that the global recovery was strengthening. Energies had a sharp decline mid-month after a U.S. government report showed an unexpected gain in supplies. Concerns over the first tropical storm of the hurricane season and the disruption that storm may cause to oil production in the Gulf of Mexico caused energies to spike for a brief period only to experience a precipitous drop going into the end of the month. As confidence in the economy took a turn for the worse, the energy sector followed suit with declines across the board as China's economy grew at the slowest pace in five-months and U.S. consumer confidence declined more than forecasted.



AGRICULTURAL COMMODITIES – The agricultural sector performance was also slightly negative in June as the markets lacked a clear direction. The initial steep declines in grains were followed by sharp rallies mid-month only to fall again during the last two weeks of the month. The commodity sector movements were tied to the changing investor sentiment in the global recovery throughout June, with China's announcement that it would no longer peg the yuan to the dollar causing speculation over the future demand levels from the world's largest commodity consumer. Grains exploded to the upside on the 30th after the USDA said farmers planted less than they had projected and inventories from last year's record crop were smaller-than-expected. London coffee was a bright spot in the sector as a decline in European stockpiles on lower exports from the world's biggest

grower of Robusta, Vietnam, caused prices to rally throughout the month.



CONCLUSION – June continued to show how important the investor confidence level is to the overall global economic recovery. The rallies and dramatic declines that occurred throughout the month in the same markets and market sectors were driven by emotion as much or more than any market fundamentals. The surge in volatility levels that coincided with the closing days of June highlights the cloud of uncertainty and fear that currently hangs over the global markets and all global investors. The macro economic data released during the month points to an economy that is fragile and at risk of a relapse with market prices in many instances challenging critical support levels. JWH does not attempt to predict the future. We believe in market diversification and a disciplined systematic approach to investing in the global futures markets. We have provided investors with non-correlated alternatives to traditional investments for almost three decades that have historically performed extremely well in times of volatility and market uncertainty. We are pleased to have provided our investors protection during this period of global turmoil and thank you for your continued support.

We thank you for your continued support.

Kenneth S. Webster
President and Chief Operating Officer

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS