JWH MARKET COMMENTARY

MAY 2008

JOHN W HENRY & COMPANY INC

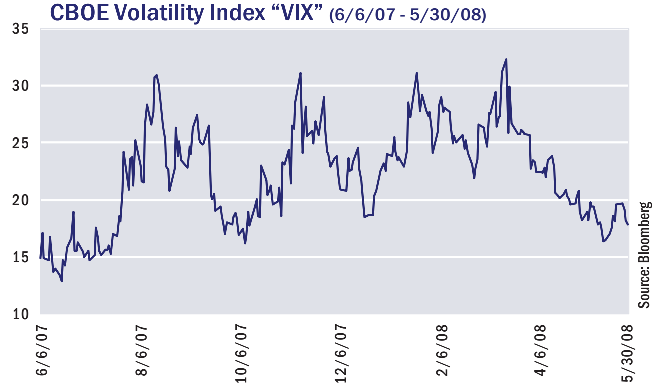
ENERGY DRIVES MAY PERFORMANCE

All of JWH's offered programs were positive for the month of May, resulting in year-to-date returns ranging from 7 to over 30 percent. The majority of the markets traded were relatively quiet and directionless with the exception of the energy sector which was the main driver of monthly trading profits. Crude oil and natural gas continued their rally both hitting new all time highs during the month of May. Significantly higher energy prices continue to have a residual effect on other sectors, including the stock market, but not enough to meaningfully alter trading patterns or drive intermediate-term trends. The possibility for additional regulatory scrutiny and further investigation into speculative trading activity in the energy markets may have been a factor in a late month sell-off in the sector. However, this correction in energy prices did not significantly reduce the programs accumulated profits for the month.

INTEREST RATES – The interest rate sector also contributed to the monthly gains, as the prospect for higher inflation globally and more stable financial markets outweighed concerns over slowing economic activity in the U.S. and other developed nations. The U.S. Consumer Price Index (CPI) and Producer Price Index (PPI) releases came out largely in line with expectations, but year-over-year rates of 3.9 percent and 6.5 percent respectively, are indications that inflationary pressures are beginning to build in the U.S. economy. The yield on the benchmark U.S. 10-year note rose back above 4 percent to close the month at 4.05 percent. Positions in European interest rates were among the most profitable. The relative stability of the European financial system allowed for a smoother trend to higher interest rates, while in the U.S., lingering concerns about the financial and housing sectors continued to weigh on U.S. rates.

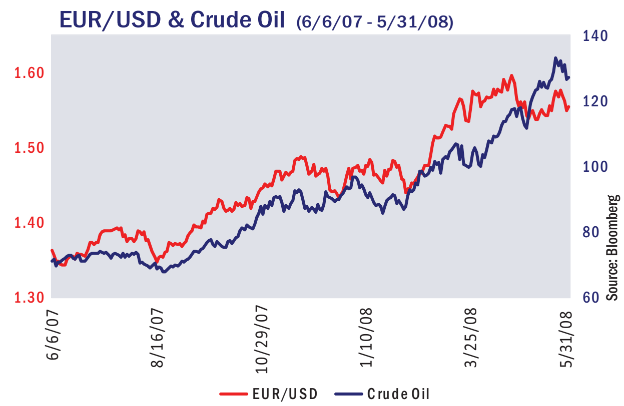
GLOBAL STOCK INDICES – Global equity markets, on the surface, were stable in May as volatility continued to decline from the peak levels witnessed earlier in the year.

CBOE Volatility Index "VIX" (6/6/07 - 5/30/08)



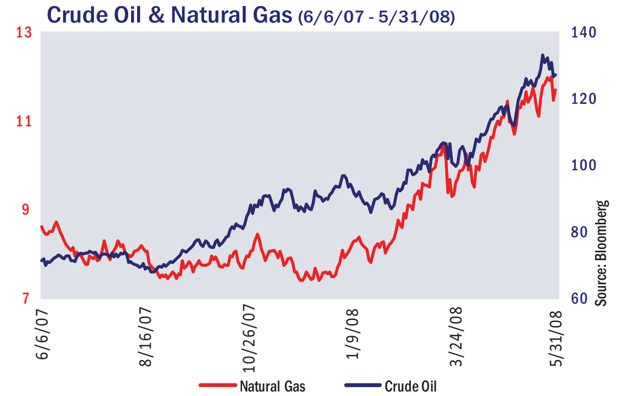
The ranges were relatively tight and offered few opportunities for trend-followers. The U.S. S&P 500 opened the month at 1386 and closed at 1400, a gain of 1 percent. Underneath the surface, shares of banks and brokerage firms remained under pressure, which could be the catalyst for an increase in volatility at some point later this year. Equities contributed little to the programs profitability as small gains from Japanese positions were largely offset by small losses in other markets.

CURRENCIES – The currency markets were also quiet in May. While the significant downward pressure on the U.S. dollar appears to have abated, there is little evidence from price action that there is strong demand to own dollars. Price action in May affirmed the fact that there remains a link between the EUR/USD exchange rate and oil prices; however, this correlation is not as strong across the whole set of currencies traded in the JWH's programs. Nevertheless, this link has become an important consideration for policy makers. While the weakness in the dollar is undoubtedly a factor affecting the U.S. trade deficit, which improved again in May, the extent to which this weakness is also tied to the runaway price of commodities - and in particular oil - raises the question of whether a weak dollar is truly a benefit to the U.S. economy on balance. Official rhetoric throughout the month suggests that continued weakness in the dollar might be unwelcome. While overall trading in the currency markets was trendless and consequently unprofitable for the programs, there are signs that the dollar may be at an inflection point that could present opportunities for the JWH in the future.



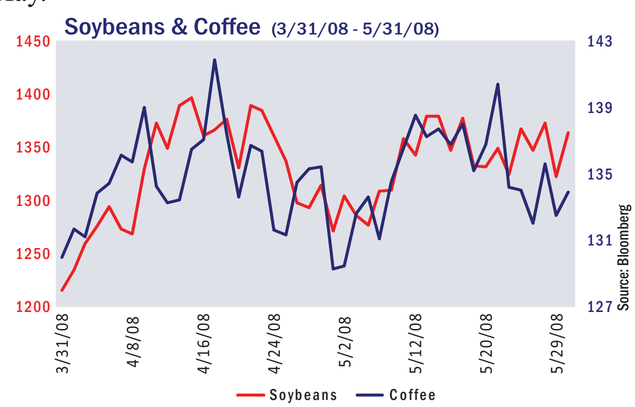
METALS – Trading in the metals markets was also calm in May as price action was directionless. The demand for metals as a store of value and a safe haven has ebbed for now as a degree of stability has returned to the financial markets. Additionally, the stability of the dollar takes away one of the bullish fundamentals in support of owning metals. Trading in both precious and base metals was unprofitable for the majority of JWH's programs in May.

ENERGIES – In May, the most notable market activity was centered in the energy markets as crude traded above $135 per barrel, gasoline topped $4.00 at the pump in the U.S. and natural gas rallied more than 7 percent. The general fundamentals supporting the rise in energy prices did not change in May. Supply continues to be tight and demand from large emerging economies continues to be strong. On May 21st, a day before the monthly high price in crude oil was reached, the U.S. reported that crude oil inventories fell 5.32 million barrels in the prior week, the largest drop in four months.



Commodity analysts began to raise their price targets for energy. The increases in energy prices led to calls in the U.S. Congress for increased regulatory scrutiny of those markets. Critical focus was on the effect of speculation in the commodity markets and the impact of passive commodity indexing. JWH trading in energies was profitable and accounted for a majority of the programs gains for the month.

AGRICULTURAL COMMODITIES – Trading in the agricultural markets was mixed and largely uneventful in May.



Positions in certain grain markets were profitable as concerns about growing conditions in the Midwest impacted prices. Positions in other markets were light as trendless trading patterns were the dominant theme. JWH programs were able to capture small gains from trading in the agricultural markets.

CONCLUSION – Overall, JWH is pleased with the positive performance achieved in May. Portfolio balance and diversification provided JWH's programs the ability to minimize losses in sectors that are not trending while capitalizing on markets that are trending, which is the foundation of JWH's trend following philosophy. This month's dormant, trendless sectors may be the catalysts that will drive the programs performance during the second half of the year. JWH will continue to apply its 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

KS Webster

President and Chief Operating Officer

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS