

JWH MARKET COMMENTARY

NOVEMBER 2007

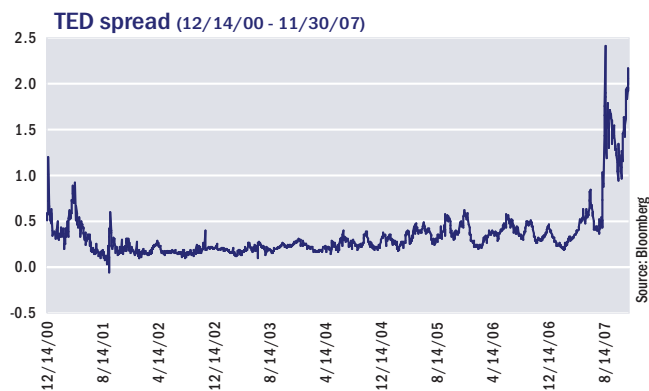


JOHN W
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MARKET PSYCHOLOGY AND PRICE ACTION DRIVE NOVEMBER'S PERFORMANCE

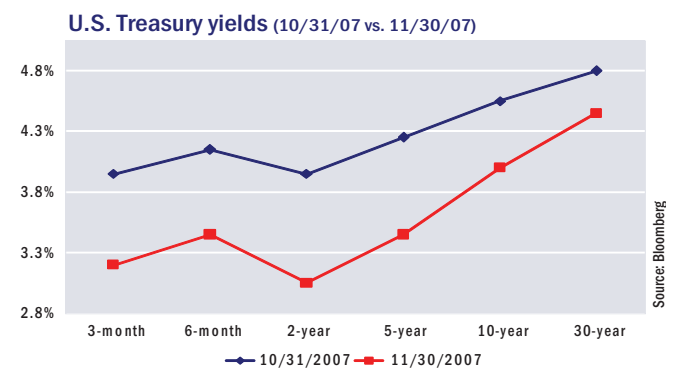
November's performance was positive for six of JWH's eight programs. The market psychology and price action that prevailed during the month of November were reminiscent of other recent periods where investors continue to eschew credit and other risk assets in favor of the safety of cash and government securities. Reflecting general investor anxiety, volatility levels remain elevated across most market sectors. The market continues to focus on the problems facing the U.S. housing market and sub-prime crisis and their effect on financial institutions and the overall health of the U.S. economy. Evidence of this can be found in the difference between 3-month Libor and U.S. T-bill rate, a popular market barometer known as the TED spread. This spread moved dramatically during the month reflecting both nervousness on the part of banks to loan money to each other and an inclination for risk-free investments.



Regardless of these concerns, there remains a strand of optimism in the market that allows it to respond favorably to modest impetus. For example, in August, the equity markets rallied sharply from their lows in reaction to a small step by the U.S. Federal Reserve Board (the Fed) when it cut the discount rate. At the end of November, news that the Abu Dhabi Investment Authority (ADIA) would purchase a stake in troubled Citibank assuaged market fears and prompted a sudden reversal in market prices.

INTEREST RATES ALONG THE U.S. YIELD CURVE MOVE LOWER DURING THE MONTH

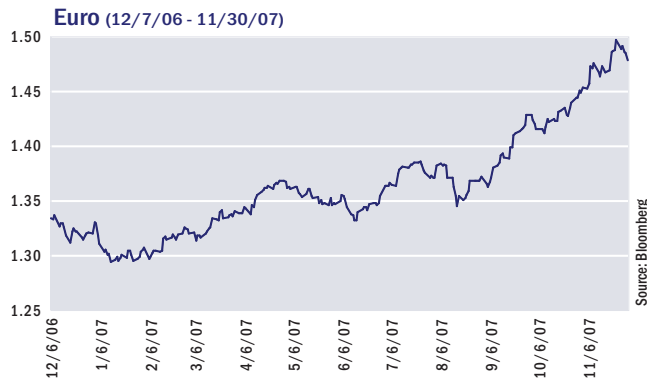
– The interest rate sector was JWH's best performing sector in November as global interest rates continued their move lower. The tone was set early in the month as the markets reacted to the Fed's decision to cut the Fed Funds rate 25 basis points to 4.50 percent on the last day of October. The Federal Open Market Committee (FOMC) statement noted that economic expansion was likely to slow in the near term, reflecting the intensification of the housing correction. This subdued assessment of the U.S. economy coincided with a sell-off in risky assets, including equities. Global interest rates on both the long and the short end of the yield curve were pushed lower as investors moved to reduce risk in their portfolios. Positions in U.S. 10-year note futures were among the firms most profitable positions as the U.S. benchmark 10-year yield fell more than 50 basis points and closed the month below 4 percent.



EURO CONTINUES TO APPRECIATE VERSUS THE DOLLAR

– The decline in interest rates in November had an impact on currency exchange rates. The dollar dropped precipitously against a number of the world's major currencies. The EUR/USD rate rose to a record level of 1.4850 during the month. The positive performance derived from positions in some of the major currencies

was offset by losses in other parts of the currency portfolio. Abrupt reversals in certain emerging markets and non-dollar cross rates occurred as investors quickly abandoned trades and positions that were perceived as high risk.

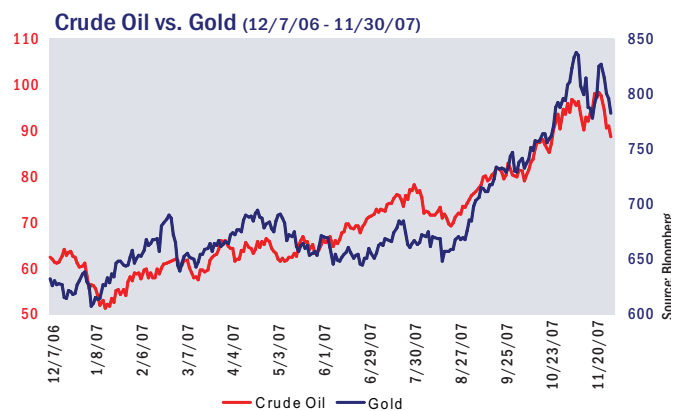


MAJOR COMMODITIES INCLUDING GOLD AND CRUDE OIL TRACK THE EUR/USD HIGHER

The sharp decline in the value of the dollar against some of the world’s major currencies impacted other markets and contributed to profits in other sectors of the portfolio. This was evident in the energy sector, where the majority of the actively traded products are priced in U.S. dollars. The benchmark crude oil contract approached \$100 per barrel during the month as global consumers armed with strong currencies were not deterred by the rising dollar price of crude oil. The energy market experienced a sharp correction at the end of the month when crude oil suffered its largest two-day decline for the year from \$94 to \$88.26 a barrel.

A Department of Energy report showed that a less-than-expected decline in inventories and the failure of crude oil to break above the psychologically important \$100 per barrel level may provide an explanation for the sudden reversal. The energy sector of the portfolio benefited from the diversification offered by natural gas. As petroleum products gyrated at lofty levels, natural gas declined steadily throughout the month as the market realized that natural gas stockpiles were ample enough to meet winter heating requirements.

Like energies, precious metals prices were also impacted by movements in the dollar. In times of crisis, gold is often seen as a safe harbor and can function as if it is a de facto currency. As market fear and nervousness rose early in the month, gold tracked higher; but as investor confidence grew at month’s end with news about the ADIA investment in Citigroup, the gold currency reversed its course. Returns from industrial metals were mixed during November. Overall, performance for the metals sector was slightly negative for the month.

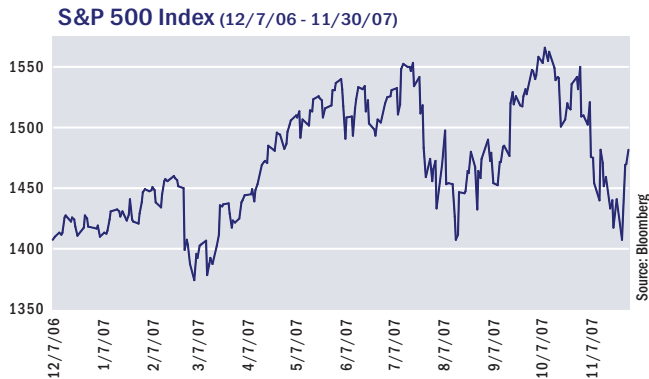


THE WEAKENING OF THE DOLLAR AFFECTS OTHER SECTORS

Performance for the agricultural sector was slightly positive. Positions in soybeans and soybean products were profitable as prices moved higher in response to strong global demand. Market activity in other parts of this sector were muted and generally mixed.

Performance for the equity sector was negative for the month. The tendency for November to be a good month for equity returns did not prove to be the case this year as the S&P 500 declined approximately 4.50 percent during the month. Many of the major global equity markets tested their yearly lows established in August. Financial stocks continued to be hit by the widening credit crisis, while the important tech sector suffered as the market adjusted to the prospect of slower global growth ahead. Stock prices found their footing late in the month on the news of the ADIA announcement. This was important to the market as it indicated there was

perceived value in U.S. shares and ample wealth outside of the U.S. to potentially underpin prices. Global equity prices rallied sharply at the end of the month.



CONCLUSION – JWH’s program performance for November resulted in the continuation of the positive results seen over the past few months. The ongoing concern about the health of the U.S. economy and the Fed’s ability to proactively react to signs of impending problems continue to drive performance across the market sectors.

As always, the firm stands ready to potentially take advantage of any continuing or new trends that may emerge.

We thank you for your continued support.

Kenneth S. Webster
President and Chief Operating Officer

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS