

JWH MARKET COMMENTARY

SEPTEMBER 2007



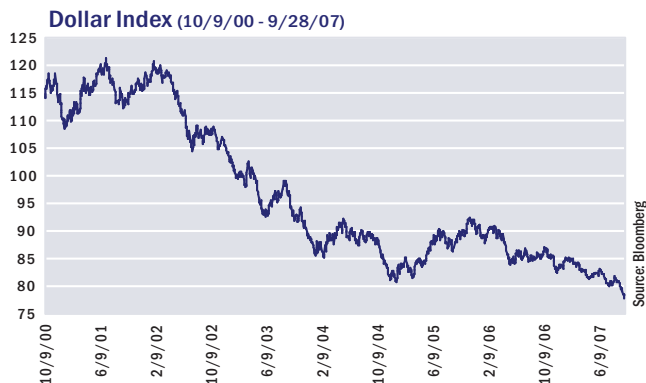
JOHN W
HENRY &
COMPANY

INC

THE DOLLAR PLUNGED AND COMMODITIES PRICES SOARED

Nine out of ten of the firm's programs were positive for the month of September as the U.S. Federal Reserve Board (the Fed) cut its benchmark rate on September 18th by 50 basis points to 4.75 percent in an attempt to shore up an economy threatened by a housing recession and the sub-prime crisis. The rate cut sparked concerns about inflation as some investors bought commodities to hedge against rising consumer prices. The falling U.S. dollar made raw materials priced in dollars cheaper for buyers holding foreign currencies. JWH's programs gained as their systematic trend-following approach capitalized on the dollar's plunge and also benefited from the enhanced appeal of energies, grains and precious metals, which drove commodities to their biggest monthly gain in 32 years.

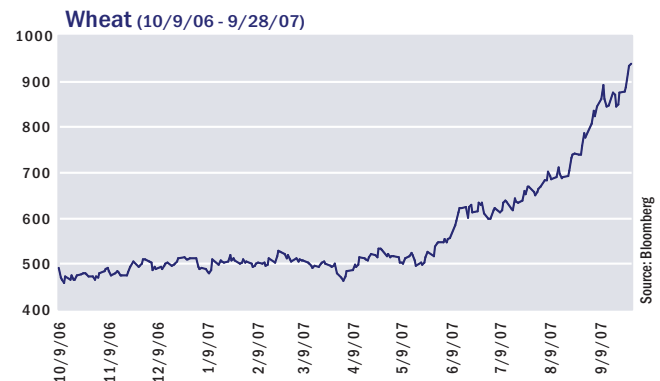
HISTORIC LOWS FOR THE U.S. DOLLAR – The U.S. dollar hit record lows in the wake of the larger-than-expected interest rate cut by the Fed. The New York Board of Trade's dollar index fell to its weakest level since the gauge began in 1973.



The Fed's trade-weighted index comparing the dollar with other major currencies dropped on September 25th to its lowest level since its inception in 1971. The weakness of the dollar against the euro was a significant contributor to this month's gains as its downward trend led to an all-time low of \$1.4278 per euro.

INFLATION FEARS AND SUPPLY SHORTFALLS DRIVE PRICES

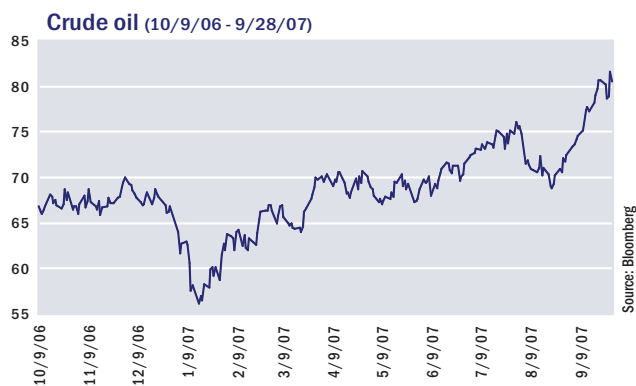
– The slumping dollar, which enhanced the appeal of grains as an inflation hedge, and a global grain shortfall drove wheat and soybean prices to record highs. Wheat futures for December delivery reached a record of \$9.6175 per bushel, rising 21 percent for the month on projections that “global inventories would dwindle to their lowest level in 26 years”.



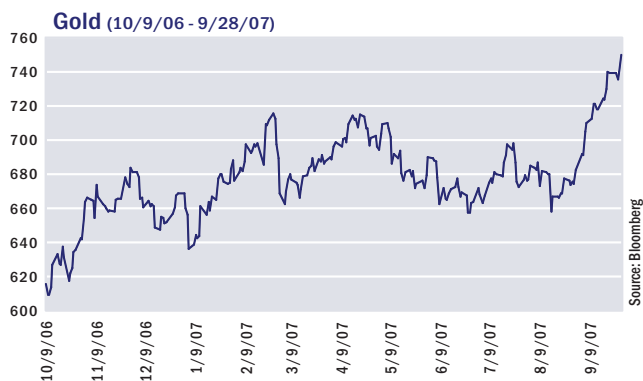
Soybeans also trended higher as the price of the soybean futures for November delivery reached \$10.1775 a bushel in Chicago, the highest since May 2004. Soybean futures rallied 14 percent in September and 79 percent in the past year after U.S. farmers cut acreage 15 percent to a 12-year low.

INTEREST RATE CUTS AND THE FALLING DOLLAR FUEL SPIKES IN ENERGIES

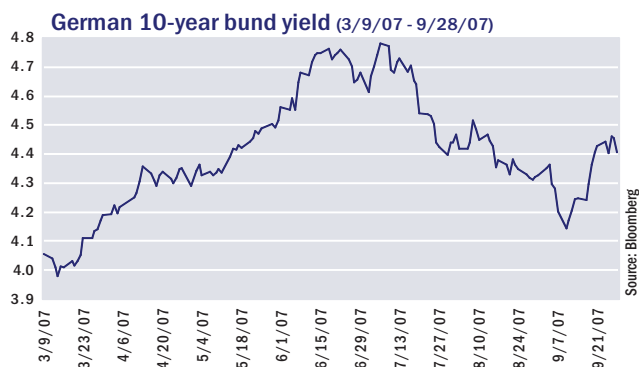
– Petroleum products rose to record highs on speculation that the combination of U.S. interest rate cuts and a falling dollar would boost demand. The falling dollar makes oil cheaper in countries using foreign currencies. Crude oil, the sector's best performer, reached a record-breaking \$83.90 a barrel on September 20th. This record high was less than a dollar from the all-time inflation-adjusted high reached in 1981, when prices jumped because Iran cut oil exports.



GOLD CONTINUED ITS STRENGTHENING TREND – Gold extended its rally to its highest price since 1980 due to speculation that a weakening dollar and surging energy costs will boost demand for the precious metal as an alternative investment. Gold gained 11 percent for the month and 15 percent for the third quarter, the most of any quarter since 1986.



TREND REVERSALS PLAGUED EQUITY AND FIXED-INCOME MARKETS – Both equity and fixed-income markets experienced detrimental trend reversals. European government bonds fell on the month amid indications that German inflation was accelerating, which made it more likely that the European Central Bank would lift interest rates again by year-end.



The benchmark 10-year bund yields touched a six-week high. Meanwhile, stocks rose to complete the steepest September advance since 1998. The Fed’s interest rate cut helped energy and raw-material companies lead the market’s recovery after a summer rout.

CONCLUSION – The firm’s programs benefited in the month of September as the larger-than-expected interest rate cut by the Fed drove the U.S. dollar lower, sparking inflationary fears and driving commodity prices to record highs. While the firm’s systematic approach profited from strengthening trends, the major markets continue to be filled with extreme intra-month price volatility. JWH will continue to closely monitor the investment opportunities and as always, stands ready to potentially take advantage of any continuing or new trends that may emerge.

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