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April 19th, 2022

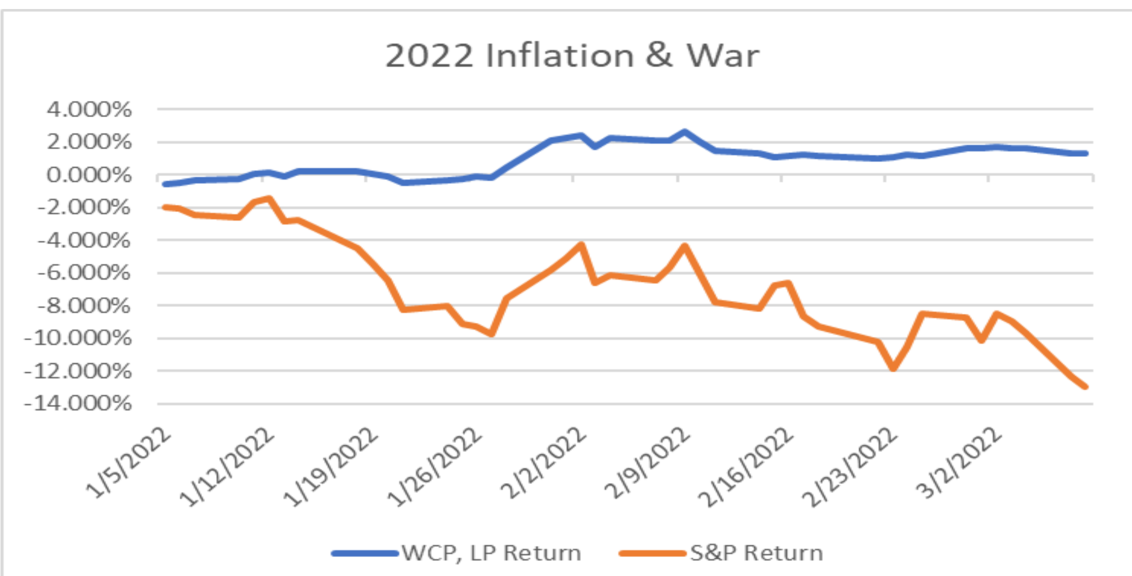
Dear Investors and Friends,

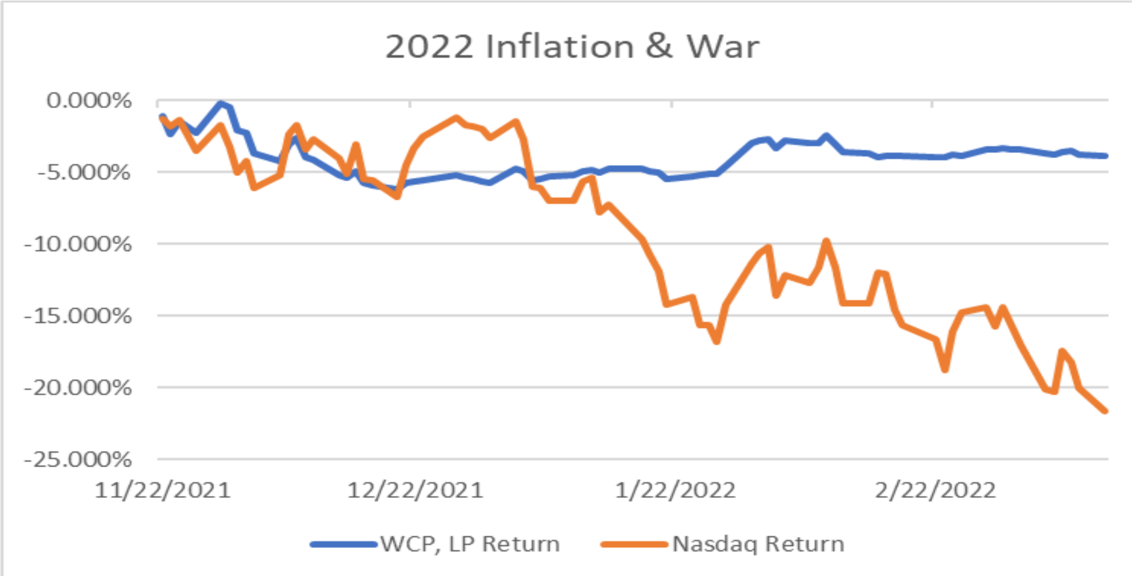
<u>2022 1st Quarter Performance</u>

Worch Capital Partners, LP (WCP) finished the first quarter of 2022 with a net gain of +5.03%. This was compared to our benchmark, HFRI Equity Hedge Index, net loss of -3.86% for the first quarter**.** We remain committed to being excellent stewards of your capital and are grateful for the opportunity to serve our partners.

Since our inception almost 14 years ago, Worch Capital Partners has compounded its partners' capital at nearly 13% annually with much less risk along with a maximum drawdown of only 15%.

WCP was able to rise above the volatility and produce a healthy first quarter gain by sticking to our discipline and avoiding the noise. Our main goal has always been capital preservation first and every big event since our inception that has led to a significant decline in the markets has been eluded by WCP. We don't always get the market direction right, but we are confident in our strategy to avoid massive drawdowns during periods of stress. The performance of WCP vs the S&P 500 and the Nasdaq during the current drawdown from the indices peak to trough is shown in the charts below highlighting our ability to protect partners' capital.





I wrote this in our last letter, and the first quarter underscored the importance of our risk management strategy.

Worch Capital Partners offers investors the opportunity for meaningful upside relative to equity market benchmarks, while importantly striving for limited downside. In our view, this is the proverbial holy grail of investing. Our track record demonstrates that we have achieved these high hurdles of excellence; however, the timing of the achievement is not always in sync with market behavior on a quarter-to-quarter basis. With that said, we are always prepared for the next correction. Trying to predict when it will happen is nearly impossible, but our strategy has a 14-year history of sidestepping bear markets.

We began drastically cutting exposure to risk assets in the fourth quarter last year as our models showed a breakdown in high valuation growth names. The weakness in the more speculative space was accelerated in the first quarter as global events unfolded. We were able to position the portfolio in more stable ideas and rode the commodity wave higher, all while keeping a healthy amount of cash coupled with some timely hedges and short positions. So far most of the damage has been in the growth market as the Nasdaq led the downside in the first quarter and registered a bear market (20% decline from peak) for the first time since the coronavirus pandemic meltdown in 2020. The S&P was not immune to the selling and produced a 13% drawdown from its peak in early January. Drawdowns from certain sectors and their corresponding ETFs validates the extreme weakness below the surface:

ARK Innovation Growth Fund	ARKK	(-61%)
Crypto	GBTC	(-60%)
Biotech	XBI	(-43%)
Emerging Markets	EEM	(-27%)
Homebuilders	XHB	(-26%)
Semiconductors	SMH	(-26%)

As I reflect on the events over the last few months, I am reminded of the famous quote, *"there are decades when nothing happens, and there are weeks when decades happen"*. This couldn't resonate more in recent times as the first quarter felt like the longest quarter ever. We're all living through the most unusual times as domestic and global circumstances are changing rapidly. A war in Ukraine is being live cast in real time on Twitter as we are living in an age of accelerated timelines and instant information. The markets experienced a wildly volatile first quarter as multiple cross currents came to the forefront. The market took on: a war; oil price spike; currency crisis; accelerating inflation; interest rate hikes; inverted yield curves; and the end of historic Fed quantitative easing (QE). It is easy now to see why the first quarter was one of the most volatile in years. In fact, it was only the 12th quarter since WW2 that saw the S&P fall 10%+ from a closing high and rally back 10%+ from its intra-quarter low. Outside of commodities, there were not many places to hide as most asset classes struggled in the first quarter. The new year has been a futile one for an investor seeking shelter from the global storm as both stocks and bonds had their toughest quarter in decades and finished with losses.

While they are painful to endure, corrections are healthy and give the market a chance to reset; ultimately providing opportunities going forward. Rising from the carnage, it's encouraging to note that those who weather the storm by preserving capital emerge with a stronger foundation, clear thinking, and strong focus. Even as we endure multiple crisis, we are optimistic about the opportunities ahead as the entrepreneurial spirit of our country will ultimately prevail. Our thoughts and prayers are with all of those affected by the war in Ukraine.

As active managers, our smaller size allows us the flexibility to change our exposure levels with more ease, which is critical for extracting alpha for our partners. We believe our methodology protects our partners' capital through various cycles. WCP has more capacity and we are accepting new contributions the first day of every month.

Please do not hesitate to call us with any questions or comments.

Kind Regards,

Ryan Worch
WCP, LP Principal and Fund Manager

THIS IS NOT AN OFFERING OR THE SOLICITATION OF AN OFFER TO PURCHASE AN INTEREST IN WORCH CAPITAL PARTNERS, LP (“WCP”). ANY SUCH OFFER OR SOLICITATION WILL ONLY BE MADE TO QUALIFIED INVESTORS BY MEANS OF A CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND ONLY IN THOSE JURISDICTIONS WHERE PERMITTED BY LAW.

AN INVESTMENT IN THE FUND IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. OPPORTUNITIES FOR WITHDRAWAL, REDEMPTION AND TRANSFERABILITY OF INTERESTS ARE RESTRICTED, SO INVESTORS MAY NOT HAVE ACCESS TO CAPITAL WHEN IT IS NEEDED. THERE IS NO SECONDARY MARKET FOR THE INTERESTS AND NONE IS EXPECTED TO DEVELOP.

THE FEES AND EXPENSES CHARGED IN CONNECTION WITH THIS INVESTMENT MAY BE HIGHER THAN THE FEES AND EXPENSES OF OTHER INVESTMENT ALTERNATIVES AND MAY OFFSET PROFITS. NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVE WILL BE ACHIEVED OR THAT AN INVESTOR WILL RECEIVE A RETURN OF ALL OR PART OF HIS OR HER INVESTMENT. INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER ANY GIVEN TIME PERIOD.

The performance data represents the performance of Worch Capital Partners, LP (“WCP”). The results reflect the deduction of: (i) an annual asset management fee of 1.0%, charged quarterly; (ii) a performance allocation of 20%, taken annually, subject to a high water mark; and (iii) transaction fees and other expenses incurred by WCP. During the time period shown, WCP used only those investment strategies disclosed in its Private Placement Memorandum. Results are compared to the performance of the S&P 500 Index (excluding dividends) for informational purposes only. WCP’s investment program does not mirror the S&P 500 Index and the volatility of WCP’s investment program may be materially different. The performance figures include the reinvestment of any dividends and other earnings, as appropriate. All investments involve risk, including the loss of principal.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

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