



Ryan Worch
Worch Capital, LLC
Principal
Tel 202.798.1977
rworch@worchcapital.com

April 16th, 2024

Dear Investors and Friends,

Q1 2024 Performance

Worch Capital Partners, LP (WCP) finished the first quarter with a net gain of +20.2%. This was compared to our benchmark, HFRI Equity Hedge Index, net gain of +5.5% for the first quarter of 2024. We remain committed to being excellent stewards of your capital and are grateful for the opportunity to serve our partners.

Since our inception 15 years ago, Worch Capital Partners has compounded its partners' capital at 11.5% annually. Most importantly, this return was achieved with low risk since our maximum drawdown was only 15%.

Following a robust 2023 performance in the general market, the first quarter extended the trend of favorable gains. While we can't predict the future, our 25 years in the market give us a good grasp of our strategy. Markets keep changing, and we're adapting along with them. Our experience made us confident that our strategy was well-positioned after a tough period. In the first quarter, WCP, LP was able to capture outsized gains by being well positioned and riding the market's upward trend. Our focused portfolio of growth stocks did better than the overall market. We still believe we're in the early stages of a big AI tech revolution that will shake things up. That means there'll be some big winners, but also some big losers, in this race to the top. Here's a snippet from our year-end letter in January.

However, something changed in the 4th quarter that has us very bullish for the next 12-18 months. Starting with the Fed pivot on November 1st the market exploded higher and was accompanied by an expansion of breadth. It was the first time all year that multiple sectors and sizes participated in the rally. This is what has been lagging in the market and what made the first 10 months of 2023 so difficult. However, it is worth noting that the optimal time for a growth investor often emerges in the aftermath of a bear market. The extended duration of the bear market and the underperformance of numerous growth stocks are laying the groundwork for a substantial opportunity. Anticipating a promising future, we are enthusiastic about strategically positioning ourselves in the most promising growth names as opportunities unfold. Amidst the rise of AI, there could be a lot of new opportunities, almost like another big tech wave similar to or even bigger than the internet boom.

Yet not one person contributed to WCP, LP at the end of the year, and human psychology remains undefeated. While last year was challenging for our strategy, I continue to believe our approach and portfolio concentration offers the best chance of meaningfully outperforming our market benchmarks over a full cycle. However, it's crucial to acknowledge that the concentrated nature of our portfolio, coupled with rigorous risk

management, may occasionally lead to periods of divergence from the broader market trends. Our track record attests that success in investment is akin to a marathon rather than a sprint. It's inevitable that in certain quarters, or even entire years, we may underperform relative to our benchmarks while diverging from market norms. Unfortunately, the market timing doesn't always suit our convivence, and patience is warranted. Nevertheless, our historical performance demonstrates a significant outperformance relative to benchmarks over prolonged periods. Embracing our strategy during periods of underperformance may prove favorable for those who subscribe to our investment philosophy. Irrespective of prevailing market conditions, I maintain unwavering confidence in our overarching market approach, fortified by stringent risk management practices. With time, adhering steadfastly to our strategy during opportune moments will position us optimally for sustained success.

I'm excited about today's opportunity landscape and our promising outlook for the future, especially with the unfolding AI theme. Yet, I recognize that our approach may not consistently deliver outperformance every quarter. Nonetheless, I remain committed in my belief that it will prove highly rewarding in the long run. Importantly, considering that the vast majority of my own investable assets are aligned with yours, it's imperative to underscore that we would never expect investors to shoulder risks that we ourselves are unwilling to bear.

As active managers, our smaller size allows us the flexibility to change our exposure levels with 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 on the first day of every month. If you would like to add to your account or know someone who may be a good fit for Worch Capital Partners unique approach, please call or email anytime.

Thank you, as always, for the trust you've placed in us to manage your hard-earned money. Please do not hesitate to call 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.