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Dear Investors and Friends,

2022 2nd Quarter Performance

Worch Capital Partners, LP (WCP) finished the second quarter of 2022 with a net loss of -2.44% for a year-to-date gain of +2.47%. This was compared to our benchmark, HFRI Equity Hedge Index, net loss of -8.03% in the second quarter for a year-to-date loss of -12.28%. We remain committed to being excellent stewards of your capital and are grateful for the opportunity to serve our partners.

Since our inception almost 15 years ago, Worch Capital Partners has compounded its partners' capital at nearly 12.5% annually. Most importantly, this return was achieved with low risk since our maximum drawdown was only 15%.

The S&P's decline of over 20% in the first half is the worst since 1970 and can be attributed to a multitude of factors we'll discuss later. This was also the 5th worst in the history of the S&P going back to the 1800s. Additionally, the Nasdaq registered a loss of -29.5% with many growth stocks declining 60-80% or more. It was a bloodbath for most asset classes and there were very few places to hide to avoid the carnage during this bear market. Bitcoin tumbled nearly 60% and many other cryptocurrencies were down much more, with some going to zero. Copper, lumber, and cotton were all down significantly. What's even more shocking is the losses in fixed income. Most people aren't used to seeing dramatic losses in bonds especially when equity markets are also declining sharply. But that is what the first half of 2022 has brought to investors as the 30-year bond declined almost 15%.

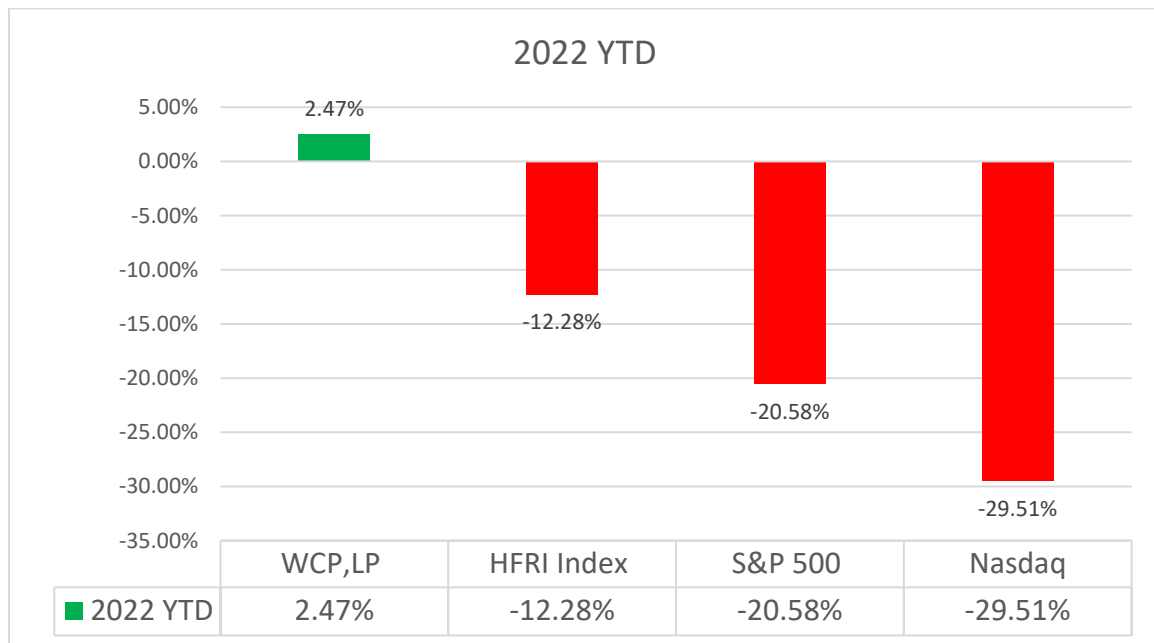
There were plenty of reasons that contributed to weakness in the first half. However, the most pressing factor weighing on markets is the hawkish posture of the Federal Reserve and their monetary actions to fight inflation; namely raising rates and quantitative tightening. As the Fed's emphasis remains on getting inflation under control, they run the risk of pushing the economy into a recession. The best cure for higher prices is killing the demand side of the equation. The markets are pricing in the potential effects of a recession with what is expected to be a much more challenging economic climate.

While the outlook is very uncertain, we don't need to know the future to extract alpha. A new bull market will emerge when many investors least expect it; typically when the news is still very gloomy. By avoiding drawing down during this bear market, we will be ready to ride the uptrend with our physical and mental capital intact.

The first half of 2022 has been a masterclass in adapting to market conditions. With investing, it doesn't matter if you are right or wrong, rather, what is most important is how

much money you make when you are right and how much you lose when you are wrong. That is the foundation of WCP, and what has allowed us to be successful in managing our partners' capital. This is also why predictions are mostly useless and serve more as talking points rather than an investing mantra. When the facts change, you must adapt to new information. A quote by famed investor Steve Clark sums it up well, "Really good traders are also capable of changing their minds in an instant. They can be dogmatic in their opinion and then immediately change it."

The last six months have really highlighted the strengths of WCP. We have been able to sidestep and avoid this bear market decline and every major dislocation in the general markets in our 15 years of managing partners' capital. If you are most concerned with capital preservation during uncertain times, I have found no better investment for my family's money than in WCP, LP. We won't always outperform and will certainly have tough periods as all successful money managers do, but we are confident in our strategy to avoid large drawdowns during periods of stress. Below is a comparison of WCP to our benchmark, S&P 500, and Nasdaq for 2022. This is a great representation of how WCP offers an uncorrelated asset that acts as a diversifier during challenging market periods.



Negative sentiment continues to run high as the outlook for equities incorporates slowing growth, rising rates, inflation/stagflation, coupled with geo-political conflict. While bear markets are painful to endure, they are healthy and give the market a chance to reset; ultimately providing life-changing opportunities going forward. 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.

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.

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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.