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Dear Investors and Friends,

Q2 2023 Performance

Worch Capital Partners, LP (WCP) finished the second quarter with a net loss of -0.29%, for a year-to-date loss of -0.86%. This was compared to our benchmark, HFRI Equity Hedge Index, net gain of +2.97% for the second quarter, for a year-to-date gain of +5.56%. 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 11.1% annually. Most importantly, this return was achieved with low risk since our maximum drawdown was only 15%.

The second quarter remained choppy for WCP as growth only started to gain broader traction in the latter half of the quarter. The prevailing theme throughout this year has been the dominance of mega-cap growth, signifying a market environment characterized by limited breadth and depth. Empirical evidence supports the notion of a narrow leadership paradigm in this particular market. Below are some numbers from BTIG. "Despite the SPX +20% off the lows and the 'Top 7' names being +75% YTD, the median stock in the market (R3K) is still down 0.53% YTD. Since the Oct. '22 lows, the median R3K name is up ~6%. Compare this to other median returns 8 months into new bulls: '09 (+73%), '16 (+24%), '18 (+16%), '20 (+74%) and the picture looks quite different."

The good news is if this is the start of a new bull market there will be plenty of runway for upside returns. We believe we are at the beginning of a new bull rather than another bear market rally. This bull is being led by the exciting new field of AI which is in its infancy. Undoubtedly, the field of artificial intelligence (AI) is currently one of the most captivating growth themes of this bull market, offering tremendous potential for groundbreaking advancements. This evolving domain is expected to yield both significant winners and disruptive forces. The potential breakthroughs in AI technology have the capability to contribute a staggering \$15 trillion to the global GDP.

Throughout the years, numerous technological advancements have garnered immense hype, yet only a select few have truly lived up to their lofty expectations. The internet, cloud computing, and the iPhone stand as prime examples of revolutionary technologies that have had a major impact on our lives. However, certain other technologies, like nanotechnology, 3D printing, and virtual reality glasses, have yet to fully unleash their promised potential. As the AI landscape continues to evolve, we recognize the emergence of a new set of AI winners in the years ahead. Our objective is to stay at the forefront of

this theme, diligently identifying and capitalizing on the companies poised for success in this rapidly evolving field. By closely monitoring industry developments, technological advancements, and market trends, we aim to position ourselves to capture the opportunities presented by this transformative AI theme.

Based on our data, it appears that the average bull market spans slightly over two complete years, accompanied by an astonishing average gain of 136%. Considering the recent bottom in October and the emergence of a new bull market, we find ourselves approximately 9 months into what could be a two-year upward movement. According to historical trends, this suggests that the S&P 500 has the potential to reach an impressive 8,238, marking an 87% increase from its current level. Our methodology heavily relies on following market trends, which means we don't attempt to time the exact bottom or top. Although this approach may lead to intermittent periods of uneven performance, it is ultimately offset by substantial returns during opportune market conditions, as we tactfully exploit the middle segment of the trend. According to Sir John Templeton, bull markets typically undergo four phases: pessimism, skepticism, optimism, and euphoria. Remarkably, the market's trajectory after the October lows can best be characterized as a reluctant ascent, navigating through concerns surrounding a hawkish Federal Reserve and prevailing narratives of a decelerating economy. As the bull market progresses into a phase of stabilization and acceptance, we aim to capitalize on favorable opportunities. Our core strengths lie in effective risk management, disciplined decision-making, and the ability to identify and seize advantageous positions while tuning out unnecessary market noise.

Throughout our quarterly letters, there is a recurring and significant theme that we deem crucial, warranting consistent mention. We strongly emphasize the importance of focusing on things that are within our control. While we acknowledge that the outcome is beyond our control, we prioritize managing our processes effectively. Our key to success throughout our 15-year track record of generating healthy risk adjusted returns can be attributed to our unwavering flexibility and discipline. This commitment necessitates our ability to identify the most suitable market conditions that align with our strategy, differentiating them from unfavorable circumstances that pose challenges. This capability stands as one of WCP's core strengths. Undoubtedly, the landscape will be inundated with noise and negative headlines, attempting to undermine any new bull market. However, we remain adaptable in response to evolving facts and market dynamics. Simultaneously, we remain excited about the path forward, driven by the rapid growth of the technological revolution. With AI at the forefront, various other themes will continue to take shape, unveiling abundant opportunities within the emerging bull market of 2023 and beyond.

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 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

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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.