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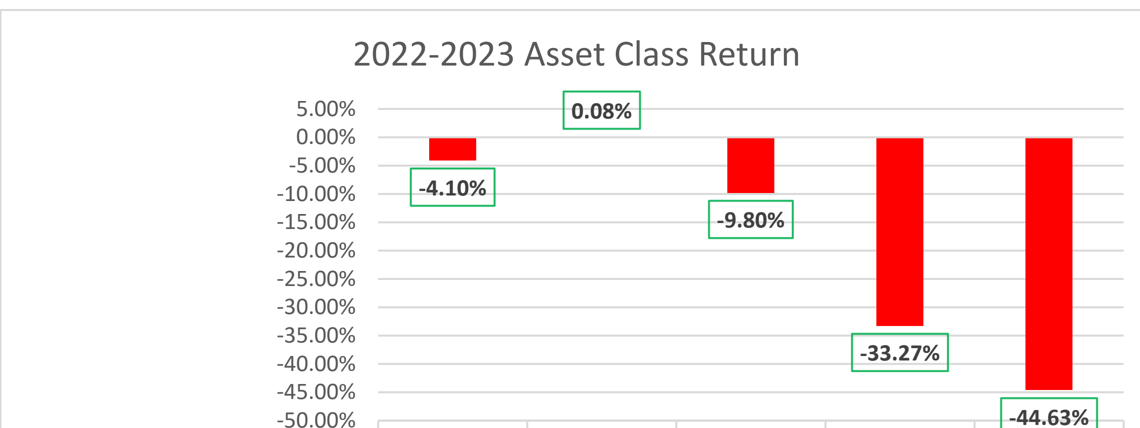
Dear Investors and Friends,

Q4 2023 Performance

Worch Capital Partners, LP (WCP) finished the fourth quarter with a net gain of +2.90%, for a year-to-date loss of -6.05%. This was compared to our benchmark, HFRI Equity Hedge Index, net gain of +5.61% for the fourth quarter, for a year-to-date gain of +10.54%. 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 10.3% annually. Most importantly, this return was achieved with low risk since our maximum drawdown was only 15%.

While the year was challenging, we did finish the 4th quarter with a gain. Considering the strength in the equity markets in 2023 we must take a step back and look where we came from. 2022 was a difficult year by all measures and we weathered that storm very well. Although we are disappointed with our 2023 returns, a comparison over the past two years highlights our alignment with the majority of major indices. Notably, we have surpassed both bonds and growth assets by a considerable margin.



	Nasdaq	S&P 500	Russell 2000	Bonds	ARKK Growth ETF
2022-2023 Asset Class Return	-4.10%	0.08%	-9.80%	-33.27%	-44.63%

2023 was characterized by a rally off the lows that was dominated by 7 stocks called the magnificent 7. If you weren't invested in these stocks you didn't participate in the lion's share of the rally. 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.

In 2023, a notable feature was the rally from the lows, largely dominated by a group of 7 stocks aptly named the "Magnificent 7." If your investments didn't include these stocks, you missed out on the lion's share of the rally. However, a significant shift occurred in the 4th quarter, leading us to be extremely optimistic for the next 12-18 months.

Commencing with the Federal Reserve's pivot on November 1st, the market experienced a substantial upward surge, marked by an expansion of breadth. For the first time throughout the year, multiple sectors and market cap sizes participated in the rally. This change in market dynamics addresses what had been lacking and contributed to the challenges in the market during the initial 10 months of 2023.

If 2023 was the start of a new bull market, this market has plenty of room to run. We find ourselves merely at the midpoint, with considerable untapped upside potential. Drawing insights from the average bull market statistics below:

- Average Nasdaq Bull Market rallies 134.34% trough to peak.
- Average Bull Market lasts 28.9 months.
- If the prior bear troughed on 10/13/22 at 10,088.83 we are currently 14 months in. So about halfway there.
- The target for Nasdaq would be 23,642.16 which is 58% higher from current levels.

There seems to be a heightened level of uncertainty about the economy and the state of the world today as there exists a myriad of concerns, with the foremost being the specter of a recession. Should one materialize, it could catalyze a swift end to the current bull market, potentially prompting a sell-off in 2024.

But it seems the news has never been good as the media loves to sensationalize the negative. And yet, over the past 24 years, our economy, as measured by U.S. Gross Domestic Product, appreciated by about three times, from $9.6 trillion to an estimated $26.2 trillion. Not coincidentally, the market, as measured by the S&P 500 Index, also appreciated by about three times, from about 1,464 to 4,770. The data is clear. Over time, economic output and the stock market closely track each other. Nevertheless, the dynamics in play throughout 2023 suggest an optimistic scenario, pricing in not only a soft landing but also an acceleration in economic activity. Ultimately, it is the price that dictates the narrative. As of now, the prevailing signals confirm the status of a bull market, indicating opportunities for profit.

The bear market spanning from the fourth quarter of 2021 (or as early as 1st quarter of 2021 for growth) to the first quarter of 2023 proved to be one of the most devastating downturns for growth assets. Remarkably, many indices are still below their all-time highs. 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.

Economic output and corporate profits are the engines of prosperity. American entrepreneurs are also some of the most creative, brilliant, and agile in the world. These attributes are part of the country's economic fabric. 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. A retrospective glance through history reveals a consistent pattern: markets survive terrible news, and if you believe in America and the golden goose of capitalism, there is nowhere better to place your bets.

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

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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.

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