TRANSITIONAL FUNDING PARTNERS LP
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April 24, 2019

Dear Investor:

Transitional Funding Partners L.P. (the "Fund"), managed by its general partner TF Managers LLC, recorded a net of fees gain, including accrued interest, of 1.94% for the first quarter of 2019. The Net Asset Value of the Fund was approximately $22.9 million as of April 1, 2019.

Enclosed please find your Limited Partner Statement for the first quarter of 2019 issued by Alternative Strategy Advisers LLC ("ASA") in its capacity as administrator of the Fund. Limited Partners who have so requested should have received an electronic version of the enclosed statement via email. Any investor who did not receive either his/her statement electronically should contact ASA immediately to correct this problem.

The Lending Environment

All clear! Apparently, the end of Q4 was a buying dip as it has been full speed ahead for equities, and most other assets, since the beginning of the year. The debt machine continues to roar with global debt to GDP still hovering around 320% even with the strongest global growth in years. Bloomberg recently ran a story that succinctly captures the current state of affairs for the global economy: "The Decade of Deleveraging Didn't Quite Turn Out That Way". While I would encourage you to read it if you have not, the key takeaways are the following:

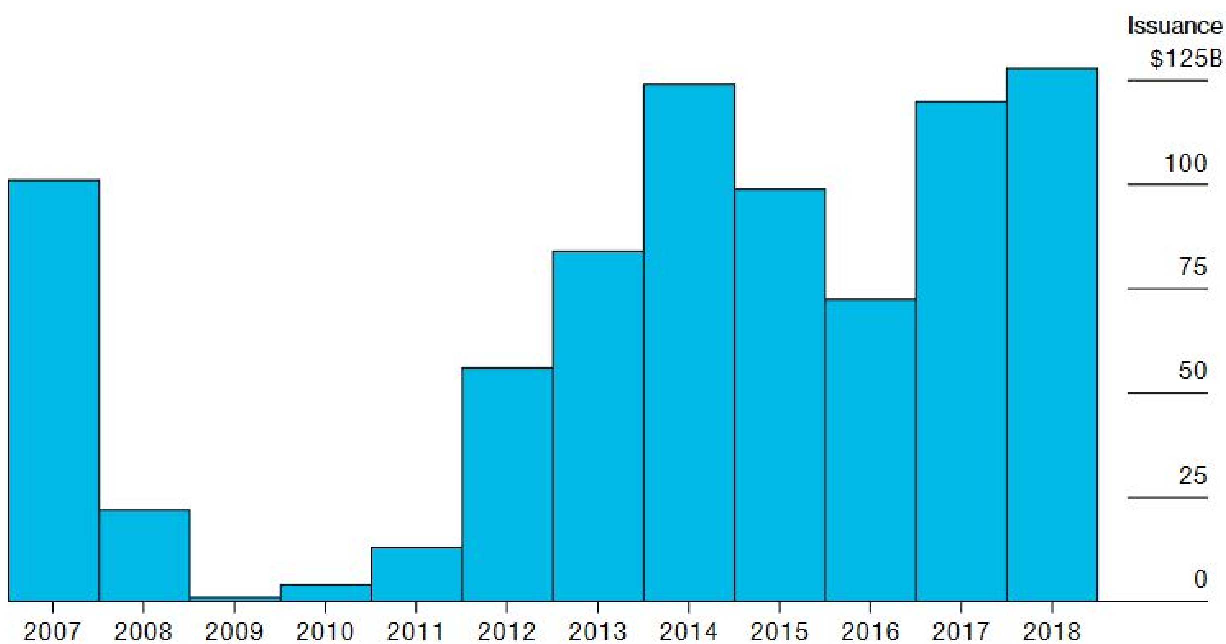
- US households still carry substantial debt but it has moved from housing-related (mortgages and home equity) to ABS (auto, credit cards and student loans), i.e. people are borrowing more to sustain lifestyle.
- US Banks have deleveraged. The rest of the world has a long way to go!
- Sovereigns, particularly developed market sovereigns, have expanded borrowing far beyond any retrenchment by banks or consumers.
- China has fueled growth with a debt explosion, but each unit of debt is now producing less growth.
- US non-financial corporate debt has skyrocketed. Credit quality is falling even with profit margins at all-time highs.

All of this simply means the global economy has very little margin for error. It also means that higher rates are almost mathematically impossible, as even 5% global rates would imply north of 15% of GDP in interest excluding unfunded obligations, which will come increasingly due over the next ten years.

History informs us that when you see goofy things happening in esoteric corners of the market, and those goofy things balloon to hundreds of billions of dollars, with the participants making rapid fortunes, trouble is likely not too far behind. In this instance, I am referring to the Collateralized Loan Obligation (CLO) binge that has occurred over the last five years. These packages of loans made to already risky companies have been a fee machine for ratings agencies, underwriters, CLO structurers and the private debt funds that are buying CLOs to goose yields. The party really got going post QE in 2012. In recent years, terms have become progressively more favorable for borrowers, debt levels have increased, and true debt service coverage ratios are declining. Large pools of troubled debt – think sub-prime, Alt-A, etc. and some CMBS – were at the epicenter of the last crisis. CDOs/CLOs were also contributors. It seems the latter are now much larger than pre-crisis, i.e. the risky lending bubble has shifted from real estate to corporate, though commercial real estate is precarious in our opinion. Perhaps the result this time will be different than last…but it's rare this time is different.

Record Volume

CLO sales hit all-time high in 2018



Source: Wells Fargo, Bloomberg
Note: Volume does not include reissues; 2018 is year to December 18.

Obviously, keeping a close eye on how various debt issuance is evolving is a key component of our risk management. An environment with highly inflated asset valuations fueled by increasingly risky debt is surely one where caution is warranted. It is also one in which finding risk for which we are appropriately compensated while maintaining acceptable downside protection is increasingly challenging. We will continue to mine for nuggets of gold, though, as discussed in recent communications, we are willing to cede some return now in order to avoid significant losses in the next negative credit cycle.

Portfolio Composition

We have made some progress in cleaning up our two portfolio problems with the Greenwich property now under contract for a summer sale. The following were the loans and other non-money market assets in portfolio at the end of Q1 2019:

I) First lien on a 2.33-acre commercial property currently containing a bar and liquor store in Williston, ND. The parcel can be entitled for broader commercial development and lies directly across Highway 2 from the airport. The loan was originated by TFP in March 2018.

Loan Balance:	$600,000
Mortgage rate:	15% flat + 2points prepaid interest
Maturity:	09/30/2019
Payment:	Monthly
Prepayment penalty:	NA – One-year interest due if prepaid
Funds in escrow:	$23,559
Status:	Performing. Extended.
Default rate:	20%

II) US Government contract factoring – Current exposure: $170,000 plus interest. In default. Collection process ongoing.

III) Real Estate Owned:
5.61-acre residential property containing a roughly 7,200 sq. ft. newly constructed main residence plus a guest house in Greenwich, CT. The property is under contract for sale in early July after some additional improvements are made.

Loan Balance:	$2,900,000 including interest (increased to complete project, carry and sell)
Status:	REO

IV) Puerto Rico Cofina (SUT-backed) municipal bonds – Current cost-basis exposure: $1,710,000. The restructuring bond exchange occurred in February with a blend of new bonds, cash, and accrued interest swapped for our previous Jr. lien debt. The fund now owns about $2MM market value of new Cofina debt in 14 cusips.

Individual Credit Review

I) This loan is to a repeat borrower who found himself in a cash crunch. The Borrower has a lot of moving parts in his financial world. His level of financial distress is significantly impacted by other lenders on other projects. The loan maturity was extended for six months in exchange for an extension payment. Thus far, the Borrower has made all payments without issue.

II) We believe we are approaching a critical discovery point in this collection effort and hope to have resolved this conclusively in the next ninety days.

III) The property is under contract for above our basis and we expect to report it is sold in our next quarterly report.

IV) As mentioned, the bond exchange went about as anticipated. We expect to liquidate these positions in coming months as individual cusips approach fair value. Returns from this transaction have been strong in early 2019, and we anticipate some additional gains before full liquidation.

Supply Pipeline and Outlook

The environment has not changed. If anything, the supply pipeline has deteriorated after the Fed gave up any pretext of normalizing monetary policy in January. Capital is readily available to all but the very most distressed borrowers and it is generally cheap. We will continue to seek acceptable returns, diversify risk, and remain relatively liquid to be in position to capture outsized opportunities as they arise. Your patience is appreciated while we await the return of a double-digit environment.

Thank you for your support of Transitional Funding Partners L.P. and Alternative Strategy Advisers LLC. We trust you received your K-1 for the Fund by now. If not, please contact us at your earliest convenience. Additionally, if you or others you know have questions about the Fund or would like to discuss current opportunities or our investment management services across the fixed income universe, we are always here and at your service.

Sincerely,
/s/ Rob Albright
Managing Member
TF Managers LLC

Privacy Policy Notice

Under rules of the Securities and Exchange Commission or other regulatory bodies, financial institutions like Alternative Strategy Advisers LLC (ASA) and its affiliated entities[*] are required to provide privacy policy notices to their clients. We believe that protecting the privacy of your nonpublic personal information is of the utmost importance, and we are committed to maintaining the privacy of your nonpublic personal information in our possession. As required by the rules, we are providing you with the following information.

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on managed account agreements or fund subscription documents and related forms (for example, name, address, Social Security number, birth date, assets, income, and investment experience); and

- Information about your transactions with us (for example, account activity and balances).

We do not disclose any nonpublic personal information about our customers or former customers to anyone other than in connection with the administration, processing and servicing of customer accounts or to our accountants, attorneys and auditors or as otherwise permitted or required by law.

We restrict access to nonpublic personal information about you to our personnel who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural controls in keeping with federal standards to safeguard your nonpublic personal information.

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[*]Affiliated entities include ASA Tax Advantaged Relative Value Fund L.P., ASA Tax Advantaged Advisors LLC, ASA Managed Account Managers LLC, Transitional Funding Partners LP, TF Managers LLC, Occum Partners LLC, and Occom Opportunity Partners LLC.