

Item 1 – Cover Page

Form ADV Part 2 Brochure

March 29, 2019

Canyon Bridge Management Corp.

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*This brochure, dated March 29, 2019 ("**Brochure**"), provides information about the qualifications, investment strategies, and business practices of Canyon Bridge Management Corp. ("**Canyon Bridge Management**"), an investment adviser registered with the U.S. Securities and Exchange Commission (the "**SEC**") and its "relying advisers."*

Please note that SEC registration status does not indicate a particular level of skill or training of Canyon Bridge Management or its employees and that neither the SEC nor any state securities authority has approved this Brochure. The information in this brochure has not been approved or verified by the SEC or by any U.S. state securities authority.

If you have any questions about the contents of this Brochure, please contact us at (978) 405-3318 or by e-mail: aswanson@alariccompliance.com. Additional information about Canyon Bridge Management and its "relying advisers" is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The prior version of this brochure was dated August 18, 2018. There are no material updates to this brochure.

Canyon Bridge Management will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. Canyon Bridge Management may also provide other ongoing disclosure information about material changes as necessary and provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

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Item 4 – Advisory Business

Background and Ownership Structure

Canyon Bridge Management was formed in 2016 and has its principal place of business in Menlo Park, CA. Canyon Bridge Management is owned by Heber Raymond Bingham, Hong John Kao and Peter Chin Kuo.

Canyon Bridge Capital Partners, LLC (“**Canyon Bridge GP**”) was formed in 2016 and has its principal place of business in Menlo Park, CA. Canyon Bridge GP is owned by Heber Raymond Bingham, Hong John Kao and Peter Chin Kuo.

Canyon Bridge Management (Hong Kong) Limited (“**Canyon Bridge HK**”) was formed in 2016 and has its principal place of business in Hong Kong. Canyon Bridge HK is wholly owned by Canyon Bridge Management.

Canyon Bridge Management Consulting (Beijing) Co Ltd (“**Canyon Bridge Beijing**”) was formed in 2016 and has its principal place of business in Beijing, China. Canyon Bridge Beijing is wholly owned by Canyon Bridge HK.

Advisory Services

*All descriptions of Canyon Bridge client(s) (the “**Canyon Bridge Clients**”) in this brochure, including, but not limited to, their investments, the strategies used in advising Canyon Bridge Clients, the fees and other costs associated with the clients, and conflicts of interest faced by Canyon Bridge and any of its affiliates in connection with advice provided to the Canyon Bridge Clients are qualified in their entirety by reference to the Canyon Bridge Clients’ respective confidential offering memoranda, advisory agreements and governing documents, as applicable (collectively, the “**Client Documents**”).*

Canyon Bridge Management provides non-discretionary advice to a private investment fund formed in Delaware, Canyon Bridge Fund I, LP (the “**Fund**”). Canyon Bridge anticipates that any additional clients will include other pooled investment vehicles that pursue private equity strategies. Canyon Bridge does not at this time anticipate performing investment advisory services for other types of clients.

Canyon Bridge GP was formed to serve as the general partner of the Fund and provide discretionary investment advice to the Fund, and is owned by Heber Raymond Bingham, Hong John Kao and Peter Chin Kuo.

Canyon Bridge HK and Canyon Bridge Beijing were formed to provide non-discretionary advice to Canyon Bridge Management (in connection with its advice to the Fund). Canyon Bridge HK, Canyon Bridge Beijing, and Canyon Bridge GP are registered with the SEC in reliance on the Form ADV of Canyon Bridge Management as “relying advisers” (together they file a single Form ADV). Unless otherwise provided or the context otherwise required, references to “**Canyon Bridge**” in this

Brochure will include Canyon Bridge Management, Canyon Bridge GP, Canyon Bridge Beijing and Canyon Bridge HK, collectively.

Canyon Bridge provides certain asset management and advisory services to the Canyon Bridge Clients, including investigating, structuring and negotiating potential investments, monitoring investments post-acquisition, and advising the clients with respect to exit opportunities. The Fund focuses on acquiring interests in companies in the technology sector (specifically, companies in the semi-conductor industry and other companies with advanced technology and potential in the China market).

Canyon Bridge's investment decisions and advice will be subject to each Canyon Bridge Client's investment objectives and guidelines, as set forth in the relevant Client Documents. Guidelines will likely include the amount of client assets that may be invested in any single portfolio company, the amount of client assets that may be invested in companies over which the client does not have control and the geographies in which a client may invest, among others.

In addition, subject to the terms of the relevant Client Documents, Canyon Bridge may enter into agreements, such as side letters, with certain investors in Canyon Bridge -advised funds (without the approval of any other investors). Side letters may be granted to incentivize or permit investors to invest with Canyon Bridge, invest certain amounts or invest with Canyon Bridge in the future. Those side letters or other similar agreements may have the effect of establishing rights under, altering or supplementing the terms of the relevant Client Documents with respect to one or more such limited partners in a manner that could be more favorable to such limited partners than those applicable to other limited partners. For example, the side letters or other similar agreements may:

- impose restrictions on a Canyon Bridge Client's investments;
- reduce carried interest incurred by an investor;
- provide additional information or reports to an investor; and/or
- provide more favorable transfer rights.

Canyon Bridge does not participate in wrap fee programs.

Regulatory Assets Under Management

As of December 31, 2018, Canyon Bridge Management and its relying advisers provide advice with respect to \$693,349,038 in regulatory assets under management (on a discretionary basis with respect to Canyon Bridge GP and on a non-discretionary basis with respect to the others).

Item 5 – Fees and Compensation

Advisory Services Compensation

For its services to its clients, Canyon Bridge expects to negotiate varied fee structures with its clients and fees will depend on each Canyon Bridge Client's circumstances and needs. The frequency that such fees are charged, and whether such fees are (i) paid in advance or arrears or (ii) deducted from clients' assets or billed to clients depends on the terms of the relevant advisory agreement (each advisory agreement between Canyon Bridge and a Canyon Bridge Client, an "**Advisory Agreement**").

The Fund pays an investment advisory fee to Canyon Bridge Management annually in advance during the term of the Fund (the "**Management Fees**"). Management Fees will generally initially equal 2% per annum of the commitment amount of each investor and, after the commitment period, will equal 2% per annum of the capital contributions of each investor that were used to fund the cost of, and remain invested in, portfolio investments that are held by the Fund as of the relevant payment date. The Management Fees may be paid to Canyon Bridge Management by the Fund out of capital contributions from the investors or out of the investors' share of proceeds from investments and income from temporary investments or borrowings.

Canyon Bridge Management has "cost-plus" arrangements with Canyon Bridge HK and Canyon Bridge Beijing (in respect of the non-discretionary advice that they provide to Canyon Bridge Management in respect of the Fund).

Termination and Fees

The events under which an Advisory Agreement could be terminated (and whether or not a termination would result in a return of fees to a client) will be addressed within the applicable Advisory Agreement. In respect of the Fund, a *pro rata* portion (based on days remaining in the payment period) of any unearned Management Fees will be refunded to the Fund in the event of a termination of the Fund's Advisory Agreement with Canyon Bridge Management. Any unearned Management Fees will generally not be returned to an investor that withdraws from the Fund prior to its dissolution.

Carried Interest

The Fund will allocate to the Canyon Bridge GP on a deal-by-deal basis a carried interest distribution based on proceeds generated from the sale of Fund investments, in an amount equal to 20% of the profits from the disposition of each portfolio investment made by the Fund, after the return of invested capital and a preferred return to limited partners. All performance-based compensation payable to Canyon Bridge GP will be effected consistent with the requirements of Section 205 of the Advisers Act and Rule 205-3 thereunder.

Brokerage Fees or Costs

Item 12 of this Brochure provides a detailed discussion of Canyon Bridge's anticipated brokerage practices and related costs and fees.

Indemnification

It is anticipated that each client will indemnify Canyon Bridge and certain other persons under those circumstances specified in the Client Documents. The Client Documents for the Fund contain indemnification obligations in favor of Canyon Bridge and certain of its related persons.

Other Fees and Expenses

Expenses that may be incurred by a Canyon Bridge Client will be set forth in the relevant Client Documents.

The Fund is responsible for (i) its organizational expenses (up to an amount specified in the Fund's Client Documents) and (ii) all costs, expenses and liabilities incurred by or arising out of the operation and activities of the Fund or its subsidiaries, ordinary or extraordinary (as set forth in the Fund's Client Documents).

Item 6 – Performance-Based Fees and Side-By-Side Management

Certain Client Documents may provide that Canyon Bridge or its affiliate may earn a performance-based fee (for example, the carried interest to be allocated to the Canyon Bridge GP as described above in Item 5).

The terms of any performance-based fees could incentivize Canyon Bridge to make recommendations regarding potential investments and the timing and structure of realization transactions that may not be in the best interests of its clients. For example, Canyon Bridge may be incentivized to recommend more risky or speculative investments than it would otherwise make in the absence of performance-based compensation.

The terms of the carried interest distribution could incentivize Canyon Bridge to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of the Fund (and its investors). For example, Canyon Bridge GP would be in a position to receive carried interest distributions earlier if profitable investments were liquidated prior to investments that were not profitable because, at the time proceeds from those profitable investments were realized, the Fund would generally not be required to first distribute capital to limited partners to make up for prior losses associated with unprofitable investments. Although the Fund's documentation contains "general partner clawback" provisions to ensure proper alignment of carried interest payments against aggregate Fund performance, the return of carried interest distributions to Fund limited partners could be delayed if not funded by the Canyon Bridge GP in a timely manner.

The carried interest distribution also creates a potential conflict of interest for Canyon Bridge in the context of valuing investments. For example, because distributions to the limited partners in the Fund are generally calculated in a “deal-by-deal” waterfall, Canyon Bridge GP does not receive a carried interest distribution until the limited partners receive distributions equal to their share of any write downs that were not taken into account for prior distributions. This creates an incentive for Canyon Bridge to avoid writing down the value of assets that are not readily marketable or difficult to value because then Canyon Bridge GP would be in a position to receive a higher carried interest distribution. Canyon Bridge believes that this conflict is mitigated by the existence of, and Canyon Bridge’s adherence to, its valuation policies.

Item 7 – Types of Clients

As described in Item 4 above, the Fund is Canyon Bridge’s sole client. Canyon Bridge anticipates that any additional clients will include other pooled investment vehicles that pursue private equity strategies.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies, Instruments and Certain Related Risks

Methods of Analysis and Investment Strategies

The Canyon Bridge Clients focus on acquiring, holding and disposing of equity or equity-linked structured investments, independently or with others, in established or less established, private or publicly traded companies (or their parents) in industry-leading business and leverage the collective experience of the Canyon Bridge team to add value in areas such as management team building and enhancement, strategy change, sales growth, and operational improvement.

Canyon Bridge will regularly reassess and refine its acquisition criteria to reflect the lessons learned from its investment and management experience. The Canyon Bridge Clients will target potential portfolio companies with:

- opportunities for Canyon Bridge to add value;
- proprietary products;
- direct relationships with their customers;
- global low-cost sourcing or manufacturing capabilities;
- high margins;
- strong free cash flow (i.e., limited capital expenditures and working capital requirements); and
- identified opportunities for growth.

Canyon Bridge's private equity professionals will spend the majority of their time originating investment opportunities. Canyon Bridge will identify potential investments through: (i) third party finders, which Canyon Bridge retains to contact selected companies in targeted industries using their proprietary databases; (ii) managers of its clients' portfolio companies; (iii) relationships with industry executives; (iv) direct solicitation of business owners; and (v) personal relationships with prospective sellers. Canyon Bridge will set up a target pool, collect basic information about the targets and monitor targets for potential investment opportunities.

If Canyon Bridge concludes that a business is worth pursuing, its buyout team will proceed with its due diligence to assess possible synergy benefits and valuation. This process typically includes initial and follow-up management meetings, facility visits, review of financial and operating data, and a preliminary market assessment, which always involves the retention of, and discussion with, third-party industry experts. As part of this phase, Canyon Bridge will also refine its acquisition model. Importantly, if the buyout team believes that additional investments in people, programs or systems are necessary, Canyon Bridge will build those considerations into its financial model.

Based on a preliminary due diligence, the buyout team will report to the investment committee of Canyon Bridge GP and obtain approvals before providing the target company a non-binding letter of intent. Once a letter of intent to acquire the target company is signed, the Canyon Bridge buyout team will: (i) make repeated visits to the company to perform detailed business diligence and extensively interact with senior management, both in groups and individually; (ii) have meetings and calls with industry consultants and experts to assess market dynamics and how they may impact the company; (iii) complete accounting, legal, environmental, insurance and other third-party due diligence of the prospective investment; (iv) conduct calls with customers and vendors; and (v) structure shareholder, employment and long-term incentive compensation agreements with key management.

As part of its assessment process for each platform acquisition, Canyon Bridge will perform an analysis of industry size, competition and market fragmentation. This not only helps clarify the relative position of the business Canyon Bridge is diligencing, but also provides insight into the number and size of potentially attractive add-on acquisition candidates. Canyon Bridge Clients may acquire add-on investments, in order to provide product line extensions, open new market opportunities, extend the portfolio company's geographic reach or do all of the foregoing.

After acquiring an interest in a business, Canyon Bridge's principals will provide direct assistance to that portfolio company on matters such as major sales proposals to existing or target customers, organization top-grading, compensation programs, development of key metrics to monitor the business, intellectual property development, protection and licensing, global vendor initiatives, capital purchasing planning, tax planning, legal and financial matters. As appropriate, Canyon Bridge will meet with customers and distributors and participate in contract negotiations.

On November 2, 2017, the Fund closed on its acquisition of all of the ordinary share capital of the Imagination Technologies Group PLC (now known as Imagination Technologies Group Limited) ("**Imagination**"). Imagination creates and licenses processor solutions for graphics, vision & AI processing and multi-standard communications. Its worldwide headquarters is in the UK.

Related Risks

Additional Capital; Leverage. The Canyon Bridge Clients' portfolio companies may require additional financing (including leverage) from sources outside the Canyon Bridge Clients to satisfy their capital requirements. The amount of additional financing needed will depend upon the business objectives and strategy of the particular company. The availability of capital may be a function of economic conditions that are beyond the control of the relevant Canyon Bridge Client(s) or any portfolio company. There can be no assurance that a portfolio company will be able to predict accurately its capital requirements or that additional funds will be available from the desired sources or from any sources or on terms favorable to the portfolio companies.

Unspecified Investments. The capital commitments to be received from a Canyon Bridge Client's investors will generally go into a blind pool. Accordingly, an investor in a Canyon Bridge Client must rely upon the ability of Canyon Bridge in making investments consistent with the Canyon Bridge Client's investment objectives and policies. The investors will not have the opportunity to individually evaluate the relevant economic, financial and other information that will be utilized by Canyon Bridge in its selection of investments or otherwise approve of these investments. In addition, investors will generally not have the ability to "opt-in" or "opt-out" of any particular investments made by the Canyon Bridge Client.

Difficulty of Locating Suitable Investments. The Canyon Bridge Clients may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. It is possible that competition for investment opportunities may increase in the future, thus reducing the number of attractive investment opportunities available to the Canyon Bridge Clients and potentially adversely affecting the terms upon which investments can be made.

Risk of Limited Number of Investments. A Canyon Bridge Client may participate in a limited number of investments and, as a consequence, the aggregate return of the Canyon Bridge Client may be substantially adversely affected by the unfavorable performance of even a single investment. On any given investment, loss of all or a portion of the original amount of the investment is possible.

Credit Support. A Canyon Bridge Client may make contingent funding commitments to its portfolio companies and provide credit support for these obligations. This credit support may take the form of a guarantee, a letter of credit or a pledge of a portion of the Canyon Bridge Client's commitments to a lender. These funding commitments may be secured by an assignment of Canyon Bridge's rights to draw down capital from Canyon Bridge Client (and its investors). It is possible that a Canyon Bridge Client (and its investors) will be required to acknowledge and consent to such a pledge and provide certain information as required by the lender. Canyon Bridge may be required to segregate unfunded capital commitments sufficient to satisfy the relevant Canyon Bridge Client's obligations with respect to this credit support. Utilization of the credit support will result in fees, expenses and interest costs to the Canyon Bridge Client, and it may result in an under-utilization of the Canyon Bridge Client's capital.

Reliance on Portfolio Company Management. The day-to-day operations of a Canyon Bridge Client's Portfolio Company will be the responsibility of that company's management team.

Although Canyon Bridge will be responsible for monitoring the performance of a Canyon Bridge Client's portfolio companies and generally will seek to invest in companies operated by capable management, there can be no assurance that an existing management team, or any successor team installed by Canyon Bridge, will be able to successfully operate a portfolio company in accordance with the Canyon Bridge Client's investment strategy.

Board Participation. Canyon Bridge personnel will serve as directors of a Canyon Bridge Client's portfolio companies and, as such, have duties to persons other than the Canyon Bridge Client. Although holding board positions will be important to the Canyon Bridge Client's investment strategy and may enhance the ability of the Canyon Bridge Client and Canyon Bridge to manage investments, director positions may also have the effect of impairing Canyon Bridge's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject the Canyon Bridge Client and Canyon Bridge to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims, and other director-related claims. In general, the Canyon Bridge Clients will indemnify Canyon Bridge from those claims.

Control Person Liability. Canyon Bridge Clients may hold controlling interests in their portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws, and governmental regulation (including securities laws), and other types of liability for which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, a Canyon Bridge Client might suffer a significant loss. The exercise of control over a portfolio company could expose the assets of the Canyon Bridge Client to claims by the portfolio company, its security holders, and its creditors. A Canyon Bridge Client could still incur significant costs in defending those claims, even in the case that the Canyon Bridge Client is the prevailing party.

Non-Controlling Investments. A Canyon Bridge Client may hold, non-controlling interests in certain portfolio companies and, therefore, may have a limited ability to protect their positions in those portfolio companies.

Contingent Liabilities on Dispositions. In connection with the disposition of its interest in a portfolio company, a Canyon Bridge Client may be required to make representations and warranties about the business and financial affairs of the portfolio company and/or its assets typical of those made in connection with the sale of a business or a portfolio of assets. A Canyon Bridge Client also may be required to indemnify the purchasers of the portfolio company to the extent that any of its representations and warranties are inaccurate, to the extent that any of its covenants are breached, for pre-closing liabilities and for other matters specific to each exit transaction. These arrangements may result in the occurrence of contingent liabilities for which Canyon Bridge may need to establish reserves or escrows. In that regard, investors in Canyon Bridge Clients may be required to return amounts distributed to them to fund obligations of the relevant Canyon Bridge Client.

Distributions in Kind. A Canyon Bridge Client may make distributions in kind and these distributions may consist of assets or securities for which there is no readily available public market.

Regulatory Approvals. Before the Fund's acquisition or disposition of any particular portfolio company, depending upon the location of the portfolio company, certain government approvals may be necessary or prudent. For example, in respect of portfolio companies located or that operate in the United Kingdom, the government has an approval right over certain deals involving the media, financial and defense/national security sectors. However, it plans to widen its powers, in the first instance by including certain advanced technology sectors among those over which it may exercise an approval right. It is possible that in the near future, the Fund's portfolio companies could fall within the scope of an expanded government sale or acquisition approval right in the United Kingdom.

In addition, in respect of portfolio companies located or that operate in the United States, an acquisition may be subjected to approval by the Committee on Foreign Investment in the United States ("**CFIUS**"). This means that: (1) CFIUS shall have determined that the acquisition is not a covered transaction and not subject to review under applicable law, (2) the parties shall have received written notice issued by CFIUS that it has determined that there are no unresolved national security concerns with respect to the acquisition and has concluded all action under Section 721 of the Defense Production Act of 1950 (the "**DPA**"), or (3) if CFIUS has sent a report to the President of the United States requesting the President's decision pursuant to the DPA with respect to the relevant acquisition, then (a) the President has announced a decision not to take any action to suspend, prohibit or place any limitations on the acquisition, or (b) having received a report from CFIUS requesting the President's decision, the President has not taken any action after 15 days from the date the President received such report from CFIUS. In deciding whether to grant clearance, CFIUS will consider the effect of the acquisition on U.S. national security and other factors within its relevant jurisdiction. As a condition to its clearance, CFIUS may impose measures and conditions to mitigate any U.S. national security concerns, certain of which may materially and adversely affect operating results due to the imposition of requirements, limitations or costs or placement of restrictions on the conduct of business and which may adversely affect the financial prospects and outcomes of the acquisition.

Legislation recently introduced in Congress seeks to modernize and strengthen the CFIUS review process to more effectively guard against the risk to U.S. national security posed by certain types of foreign investment. Among other things, the proposed legislation would expand the scope of transactions within the jurisdiction of CFIUS, make filings for certain transactions mandatory, and extend the timeline for a CFIUS review. There is no certainty that the legislation will become law or, if it does become law, what changes to the current CFIUS review process will be included in the enacted legislation and when such changes would become effective.

An intended acquisition of a potential portfolio company (Lattice Semiconductor Corporation ("**Lattice**")) by the Fund (the "**Lattice Acquisition**") was terminated because CFIUS clearance was not obtained. Specifically, the closing conditions for the Lattice Acquisition included obtaining clearance by CFIUS. On September 13, 2017, the President of the United States issued

an order (the “**Order**”) prohibiting the Lattice Acquisition. As a result of the issuance of the Order, clearance by CFIUS was not obtained, the Lattice Acquisition was not consummated, and Lattice terminated the acquisition agreement in accordance with its terms. Neither Lattice nor the Fund incurred any termination fees in connection with the termination of the acquisition agreement.

Item 9 – Disciplinary Information

Form ADV Part 2 requires investment advisers such as Canyon Bridge to disclose legal or disciplinary events involving the firm or its partners, officers, or principals that are material to the evaluation of its advisory business or the integrity of its management. Canyon Bridge has no information to report that is applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

As described above in Item 4, Canyon Bridge GP provides discretionary advice to the Fund, and Canyon Bridge HK and Canyon Bridge Beijing provide non-discretionary advice to Canyon Bridge Management (in respect of the Fund).

Canyon Bridge and its personnel may give advice or take action for their own accounts that may differ from, conflict with, or be adverse to, advice given to or action taken for the Canyon Bridge Clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for, one or more of Canyon Bridge’s clients. No Canyon Bridge Client or investor in any Canyon Bridge Client will have an interest in such investments or other investment funds organized or sponsored by Canyon Bridge by virtue of its status as a client or investor (notwithstanding the fact that those investments may be in competition with those of the Canyon Bridge Clients).

Canyon Bridge personnel may have certain conflicts in allocating their time and services among the Canyon Bridge Clients. Canyon Bridge personnel will work on multiple endeavours, including potential business activities as well as any personal activities, within the parameters of any employment agreements and the Client Documents. For example, one of the Canyon Bridge principals serves on the board of public companies in the semi-conductor industry.

In connection with these other activities, Canyon Bridge and/or its personnel may come into possession of information that limits its and its affiliates’ ability to engage in potential transactions. A Canyon Bridge Client’s activities may be constrained as a result of the inability of Canyon Bridge personnel to use such information. For example, certain employees may be prohibited by law or contract from sharing information with other employees who participate in the client’s investment team. Additionally, there may be circumstances in which one or more of certain individuals associated with Canyon Bridge will be precluded from providing services related to a client’s activities because of certain confidential information available to those individuals.

Conflicts of interest may arise because Canyon Bridge personnel may serve as directors of the Canyon Bridge Clients’ portfolio companies. In addition to any fiduciary duties that Canyon Bridge and its personnel owe to the Canyon Bridge Client, as directors of a portfolio company, those Canyon Bridge personnel owe fiduciary duties to the portfolio company (and may owe duties

to any minority shareholders). Those positions may place Canyon Bridge personnel in a position where they must make a decision that is either not in the best interests of the Canyon Bridge Client or not in the best interests of the portfolio company; however, as the Canyon Bridge Clients will generally be the controlling shareholders of such companies, it is expected that such interests will generally be aligned.

Certain service providers or their affiliates to Canyon Bridge Clients and their portfolio companies may also provide goods or services to, or have business, personal, financial or other relationships with, Canyon Bridge. Such service providers or their affiliates may charge different rates or have different arrangements for services provided to Canyon Bridge as compared to services provided to the Canyon Bridge Clients and/or their portfolio companies, which in certain circumstances may result in more favorable rates or arrangements than those payable by those Canyon Bridge Clients and/or their portfolio companies.

By entering into side letters, certain investors in the Canyon Bridge Clients may receive information that is not generally available to, or utilized by, other Canyon Bridge Client investors (whether with respect to the relevant Canyon Bridge Client, the financial markets generally or otherwise) and, as a result, may be able to act on such information when others cannot. Disclosure of this fact to potential and current Canyon Bridge Client investors is intended to mitigate this potential conflict of interest.

It is expected that each Canyon Bridge Client that is a pooled investment vehicle will have an advisory committee (a “**LP Advisory Committee**”), whose members will be designated by the relevant general partner. These LP Advisory Committees will generally be to review and approve or disapprove certain actual or potential conflicts of interest, provide project approval and consult with and advise Canyon Bridge on other matters brought to them.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Canyon Bridge has adopted a Code of Ethics, which holds its employees to a high standard of integrity and business practice, in compliance with applicable U.S. laws and regulations. In serving its clients, Canyon Bridge strives to avoid conflicts of interest or the appearance of conflicts in connection with the securities transactions of Canyon Bridge, any of its affiliates and their employees. Canyon Bridge and its personnel owe their clients a duty of honesty, good faith and fair dealing and have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide it.

The Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports and initial and annual securities holdings reports submitted by all of Canyon Bridge’s access persons. The Code of Ethics requires the prior approval or prohibition of certain securities transactions. It also contains oversight, enforcement, and recordkeeping provisions. Canyon Bridge designed the Code of Ethics to ensure that the personal securities transactions, activities, and interests of its employees will not interfere with (i) making decisions in the best

interest of its clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Participation or Interest in Client Transactions and Personal Trading

Any potential conflict of interest will be considered and mitigated consistent with Canyon Bridge's Portfolio Management Policy and Conflicts of Interest Policy.

Canyon Bridge will not generally engage in principal or cross transactions. In accordance with the anti-fraud provisions of the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**") and with Canyon Bridge's internal compliance policies and procedures, Canyon Bridge will not, as principal, sell a security to, or buy a security from, a client without obtaining the consent of the client prior to the settlement of such transaction.

Canyon Bridge personnel may in the future serve on the boards of Canyon Bridge Clients' portfolio companies. (See Item 10 for a description of this potential conflict).

Item 12 – Brokerage Practices

Selection of Brokers

Canyon Bridge anticipates that it will have the authority to determine without client consultation or consent the investment banker or other intermediary through which the Canyon Bridge Clients purchase or sell portfolio investments, and the compensation at which such transactions are effected.

In selecting brokers to provide services in connection with portfolio transactions, Canyon Bridge's policy is to seek best execution, which means that it seeks to ensure that the client's total cost or proceeds is the most favorable under the circumstances. Accordingly, transactions will not always be effected at the best price or the lowest available compensation.

Canyon Bridge will not adhere to any rigid formulas in making its selection of investment bankers or other intermediaries to assist with portfolio transactions on behalf of its clients, but will weigh a combination of factors or criteria. For example, the determination of what is expected to result in best execution on an overall basis involves a number of factors, including:

- reliability;
- reputation;
- industry knowledge and expertise;
- ability to provide access to potential purchasers of portfolio companies;
- financial stability;

- efficiency;
- ability to keep brokerage activities confidential;
- provision of products and services;
- idea generation;
- competitive compensation; and
- general responsiveness.

Canyon Bridge may receive products and services from investment bankers and other intermediaries. “Products and services” includes, but is not limited to:

- proprietary and third party research and analyses regarding potential portfolio companies;
- oral and written reports on market statistics or market trends;
- introduction of potential investment opportunities;
- reports on underwriting activity, bank rates, loan defaults, loan new issuance volumes and other capital markets statistics;
- opportunities to confer with company management;
- assistance with closing portfolio transactions;
- tickets to attend sporting and other recreational events;
- conferences and networking events (including fees, accommodations and meals).

Canyon Bridge receives or may receive products and services from investment bankers and other intermediaries. “Products and services” includes, but is not limited to:

- proprietary and third party research and analyses regarding potential portfolio companies;
- oral and written reports on market statistics or market trends;
- introduction of potential investment opportunities;
- reports on underwriting activity, bank rates, loan defaults, loan new issuance volumes and other capital markets statistics;
- opportunities to confer with company management;

- assistance with closing portfolio transactions;
- tickets to attend sporting and other recreational events;
- conferences and networking events (including fees, accommodations and meals).

Canyon Bridge is not required to (i) obtain the lowest brokerage compensation rates or (ii) combine or arrange orders to obtain the lowest brokerage compensation rates. Canyon Bridge is also not required to solicit competitive bids. Canyon Bridge does not negotiate “execution only” compensation rates; thus, a Canyon Bridge Client may be deemed to be paying for products and services provided by the broker-dealer which are included in the transaction charges.

Products and services may be used by Canyon Bridge for itself and/or in servicing some or all of its clients. Some products and services may not necessarily be used for a Canyon Bridge Client even though its compensation dollars (transaction-related fees) provided for those products and services. A Canyon Bridge Client, therefore, may not, in any particular instance, be the direct or indirect beneficiaries of the products and services provided. Further, the relationships with brokers that provide products and services to Canyon Bridge may influence its judgment in allocating brokerage business and create a conflict of interest in using the services of those brokers to execute the relevant Canyon Bridge Client’s portfolio transactions. Canyon Bridge will attempt to mitigate the foregoing conflicts of interest through the application of its best execution policies and procedures (which include monitoring whether it is obtaining best execution on an overall basis).

Brokerage for Client Referrals

Canyon Bridge does not consider whether it has received an investor or client referral from brokers in selecting or recommending brokers to the Canyon Bridge Clients.

Directed Brokerage

Canyon Bridge does not enter into directed brokerage arrangements.

Allocations of Investment Opportunities

Canyon Bridge currently has one advisory client. However, in the event that Canyon Bridge has more than one advisory client, it will develop policies in respect of allocating investment opportunities between clients.

Item 13 – Review of Accounts

A. Review- Risk Management

During the early years of a portfolio investment, Canyon Bridge personnel will hold operations review meetings with portfolio company management. These meetings will generally involve discussions regarding, among other topics, the company’s financials, key initiatives, future

priorities and evaluation of progress against established objectives. In addition to these meetings, Canyon Bridge personnel will interact with portfolio company managers, receive periodic reports on the performance of the business and provide assistance to portfolio companies on matters such as a major sales proposals to existing or target customers.

B. Reports to Clients

Canyon Bridge will provide to Fund investors:

- audited annual financial reports of the Fund within 120 days of the conclusion of the Fund's fiscal year (audited by the Fund's independent public accountant); and
- quarterly reports providing narrative and summary financial reports of the Fund's investments (for example, an unaudited income statement, an unaudited cash flow statement, an unaudited statement of investors' capital accounts).

Item 14 – Client Referrals and Other Compensation

Neither Canyon Bridge Management nor its related persons directly or indirectly compensate any person who is not a supervised person for investor or client referrals. Canyon Bridge Management does not provide compensation to non-supervised persons for the purpose of obtaining clients.

Item 15 – Custody

To the extent required by applicable law, the Canyon Bridge Clients' securities and funds will be held by qualified custodians. As noted in Item 13 above, Fund investors will receive annual financial statements audited by an independent public accountant. Fund investors are urged to carefully review such statements.

Item 16 – Investment Discretion

Any discretionary authority to manage securities accounts on behalf of clients, any limitations clients may place on this authority and any procedures followed before Canyon Bridge assumes any such authority (e.g., execution of a power of attorney) will be set forth in the Client Documents. Canyon Bridge Management has non-discretionary authority in respect of the Fund (by virtue of the Fund's Advisory Agreement with Canyon Bridge Management). Canyon Bridge GP has discretionary authority in respect of the Fund (by virtue of Canyon Bridge GP's role as general partner of the Fund). Canyon Bridge HK has non-discretionary authority in respect of the Fund (by virtue of Canyon Bridge Management's Advisory Agreement with Canyon Bridge HK). Canyon Bridge Beijing has non-discretionary authority in respect of the Fund (by virtue of Canyon Bridge Management's Advisory Agreement with Canyon Bridge Beijing).

Item 17 – Voting Client Securities

Canyon Bridge Management does not have the authority to vote the Fund's securities. Canyon Bridge Clients will not likely acquire investments that will involve the voting of proxies. In the

event that a Canyon Bridge Client acquires an investment that involves the voting of proxies, Canyon Bridge Management expects that the client will receive proxies or other solicitations directly from their custodian or a transfer agent, and the client should contact such custodian or agent about a particular solicitation.

Item 18 – Financial Information

See Exhibit A to this Form ADV Part 2 (for a balance sheet as of December 31, 2018 for Canyon Bridge Management).

Form ADV Part 2 requires investment advisers to disclose any financial condition reasonably likely to impair their ability to meet contractual commitments to clients. At this time, Canyon Bridge has no information to report that is applicable to this Item 18.

Item 19 – Requirements for State-Registered Advisers

Form ADV Part 2 requires responses to Item 19 if an investment adviser is registered with one or more state securities authorities. This item is not applicable to Canyon Bridge.

Exhibit A

CANYON BRIDGE MANAGEMENT CORP. AND SUBSIDIARIES

(A DELAWARE CORPORATION)

**CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2018
AND INDEPENDENT AUDITORS' REPORT**

INDEPENDENT AUDITORS' REPORT

To Canyon Bridge Management Corp. and Subsidiaries:

We have audited the accompanying consolidated balance sheet of Canyon Bridge Management Corp. and Subsidiaries ("the Company") as of December 31, 2018, and the related notes (the "consolidated financial statement").

Management's Responsibility for the Consolidated Financial Statement

Management is responsible for the preparation and fair presentation of this consolidated financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statement referred to above presents fairly, in all material respects, the financial position of Canyon Bridge Management Corp. and Subsidiaries as of December 31, 2018, in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

March 28, 2019

CANYON BRIDGE MANAGEMENT CORP. AND SUBSIDIARIES
(a Delaware Corporation)

CONSOLIDATED BALANCE SHEET

December 31, 2018

ASSETS

Cash and cash equivalents	\$	1,436,607
Receivable from stockholders		50
Prepaid assets		199,421
Due from related parties		272,492
Loan to related parties		8,855,075
Security deposits		360,297
Fixed assets, net		5,663,162
Deferred tax asset		98,932

TOTAL ASSETS	\$	16,886,036
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LIABILITIES

Accounts payable	\$	871,952
Accrued bonus and payroll liabilities		2,231,345
Deferred rent liability		521,035
Income tax payable		339,403
Management fees paid in advance		3,000,000
Deferred tax liabilities		2,230,593

TOTAL LIABILITIES		9,194,328
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STOCKHOLDERS' EQUITY

Common stock, \$0.00001 par value per share, 10,000,000 shares authorized, 5,000,001 shares issued and outstanding		50
Retained earnings		5,894,598
Current year net income		1,803,145
Accumulated other comprehensive loss		(6,085)

TOTAL STOCKHOLDERS' EQUITY		7,691,708
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	16,886,036
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The notes on the following pages are an integral part of the consolidated balance sheet.

NOTES TO CONSOLIDATED BALANCE SHEET
December 31, 2018

1. ORGANIZATION AND NATURE OF OPERATIONS

Canyon Bridge Management Corp. (the “Company,”) was established as a C Corporation in the state of Delaware on September 14, 2016 and began business on October 18, 2016 (“Commencement of Operations”). The Company is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The Company provides investment advisory services and acts as Investment Manager for Canyon Bridge Fund I, L.P. (the “Fund”) for which the Company receives management fees in accordance with terms as outlined in the Management Agreement dated October 18, 2016.

As defined in Section 7.04 of the Fund’s Limited Partnership Agreement (the “LPA”) dated October 18, 2016, the Fund shall pay management fees, payable annually in advance, equal to 2 percent per annum of the aggregate Capital Commitment of its Limited Partners, other than affiliated investors, during the Investment Period and on Capital Contributions used to fund the cost of, and remain invested in, Portfolio Investments that are held by the Fund as of the relevant payment date, thereafter. Investment Period is from the Initial Closing Date of October 18, 2016 through the earlier of the third anniversary or the date one hundred percent of the aggregate Capital Commitments have been invested or committed by the Fund or used or reserved for organizational or Fund expenses, as detailed in the LPA. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the LPA.

The Company holds the entire equity interest of its subsidiary Canyon Bridge Management (Hong Kong) Limited, (the “HK Subsidiary”), which in turn holds the entire equity interest of Canyon Bridge Management (Beijing) Co., Ltd (the “Beijing Subsidiary”).

2. BASIS OF ACCOUNTING, PRESENTATION AND USE OF ESTIMATES

The Company uses the accrual method of accounting for financial statement purposes. The consolidated balance sheet has been prepared in accordance with accounting principles generally accepted in the United States (“U.S GAAP”) and includes the accounts and transactions of the Company and its subsidiaries after consolidation and elimination of intercompany balances and activities.

Most of transactions at the Beijing Subsidiary are generally processed in Chinese Yuan, which is the functional currency of the Beijing Subsidiary. The HK Subsidiary executes transactions generally in US dollars. The reporting currency is the US dollar for all three entities. As part of the consolidation of the balance sheet, certain gains or losses relating to foreign currency translation are recorded in Accumulated Other Comprehensive loss of the consolidated balance sheet.

CANYON BRIDGE MANAGEMENT CORP. AND SUBSIDIARIES
(a Delaware Corporation)

The preparation of the consolidated balance sheet in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank deposits and short-term, highly liquid investments. Investments with original maturity dates of three months or less are considered cash equivalents. The Company currently maintains all cash in one institution in the U.S. and two institutions in China.

4. DUE FROM RELATED PARTIES

As of December 31, 2018, due from related parties of approximately \$.3 million comprise of reimbursement for travel expenses from the portfolio companies and other related parties for miscellaneous advances.

5. LOAN TO RELATED PARTIES

Approximately \$8.9 million loan to related parties is related to loans from the Company to the shareholders of the Company (at the interest rate of 2.4%) and related accrued interest receivable. These loans mature on October 8, 2023.

6. MANAGEMENT FEE PAID IN ADVANCE

In accordance with the supplement agreement, dated October 15, 2018, signed by the General Partner and the limited partners invested in the Fund, the limited partners agreed to pay \$3,000,000 of 2019 management fee in advance to the Company. That amount was recognized as a liability on the consolidated balance sheet as of December 31, 2018 and will be recognized as revenue in the period earned.

7. FIXED ASSETS, NET

The Company's fixed assets comprises of leasehold improvements, furniture and computer and software. The Company's policy is to capitalize capital expenditures with an individual or aggregate cost greater than or equal to \$1,500. The Company depreciates leasehold improvements over the estimated useful life of the leased property or the term of the lease, whichever is shorter. Furniture and fixture is depreciated over 5 years while computer equipment and software are depreciated over 2-3 years.

Fixed Assets, net, as of December 31, 2018, consist of the following:

Leashold Improvements	\$ 5,610,956
Furniture and fixture	983,793
Computer Equipment and Software	<u>721,653</u>
Total	7,316,402
Less accumulated depreciation and amortization	<u>(1,653,240)</u>
Fixed Asset, net	<u>\$ 5,663,162</u>

8. INCOME TAXES

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated balance sheet. Under this method, management determines deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that management believes that these assets are more likely than not to be realized. In making such a determination, management considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If management determines that it would be able to realize deferred tax assets in the future in excess of their net recorded amount, management would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with ASC 740 on the two-step process in which (1) management determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

As applicable the Company recognize interest and penalties related to unrecognized tax benefits on as a component of income tax expense.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, (1) reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; (2) requiring companies to pay a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries; (3) generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries; and (4) requiring a current inclusion in U.S. federal taxable income of certain earnings of controlled foreign corporations. This recognition occurred in the year ended December 31, 2017. In the current year earnings of the controlled foreign corporations were recognized as a component of tax expense for the associated US tax.

As a result of the Tax Act all U.S. deferred tax assets have been recorded at the expected rate of recognition, i.e. 21 percent. Further as a result of the transition tax, U.S. income tax has been recognized on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that is indefinitely reinvested outside the United States. This amount was taxable as part of the transition tax and as a result no unrecorded deferred tax liability exists.

CANYON BRIDGE MANAGEMENT CORP. AND SUBSIDIARIES
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The components of deferred tax balances as of December 31, 2018 were as follows:

Deferred Tax Assets:	
Accrual and Reserves	\$ 132,189
Net Operating Losses	1,378,348
Total Deferred Tax Assets	<u>\$ 1,510,537</u>
Deferred Tax Liabilities	
Fixed Assets	\$ (492,199)
Cumulative Effect of Tax Accounting Change	(3,150,000)
Total Deferred Tax Liabilities	<u>\$ (3,642,199)</u>
Net Deferred Tax Balance	<u>\$ (2,131,662)</u>

The Company has income tax net operating loss carryforwards related to the U.S. domestic operations of approximately \$21.5 million that begin to expire in the year ending December 31, 2036.

The Company has unrecognized tax benefits (UTBs) of zero as of December 31, 2018. The Company will recognize interest and penalties, when they occur, related to uncertain tax provisions as a component of income tax expense. The Company does not expect its UTBs to change significantly over the next twelve months. The Company is subject to income taxes and files income tax returns in the U.S. federal, California, Hong Kong and China jurisdictions. Tax years beginning with 2016 remain open to examination by the all taxing authorities.

9. COMMITMENT

The Company has several operating leases including leases for an office in China (mainland) and another office in the U.S., which expire on April 30, 2020 and April 30, 2024, respectively. Minimum future lease payment for all the leases are as follows:

2019	\$ 1,934,190
2020	1,252,251
2021	949,191
2022	977,667
2023 and After	1,352,732
Total	<u>\$ 6,466,031</u>

10. STOCKHOLDERS' EQUITY

In accordance with the Certificate of Incorporation filed September 14, 2016, the Company has authorized for issuance 10,000,000 shares of common stock with a par value of \$0.00001

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(a Delaware Corporation)

per share. As of December 31, 2018, 5,000,001 shares have been issued for total consideration of \$50 which is recorded as receivable from shareholders.

11. SUBSEQUENT EVENTS

The Company is considering closing the U.S. office and move its operations overseas. If this plan materializes, the Company would abandon all its leasehold improvement, furniture and computer equipment in the U.S. This plan would also entail releasing the Company's lease obligation of the U.S. office to a new tenant. The Company evaluated subsequent events through the date the consolidated balance sheet was available to be issued and did not identify any other significant events that warrant additional disclosure.