REGULATORY DISCLOSURE STATEMENT - 2020

The U.S. Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority, Inc. ("FINRA"), and other regulators have various rules and regulations that require broker-dealers to disclose certain policies and procedures including, but not limited to, client identification, business continuity, order routing and investor protection.

In accordance with these various regulatory requirements and industry best practices, and to give its clients transparency into the Firm's policies and procedures, Cantor Fitzgerald & Co. ("CF&Co." or the "Firm") is providing the following regulatory disclosures to its clients.

New Account Opening – Verifying Your Identity

To assist the governments fight against the funding of terrorism and to prevent money laundering activities, federal laws and regulations require financial institutions to obtain and verify information that identifies each client who opens an account.

When opening an account, the Firm is required to obtain your name, address, tax information and other information and documentation that will be utilized to verify your identification. For accounts other than natural persons (e.g.: a corporation, partnership or trust) the Firm will request identifying documents evidencing the existence of the entity, such as articles of incorporation, a government-issued business license, a partnership agreement or a trust agreement. The Firm may also request to see a valid government issued form of identification evidencing nationality or residence and bearing a photograph such as a driver's license, passport or other identifying documents for the Control persons or beneficiaries of the account.

As required by federal law, if the Firm is unable to verify your identity, CF&Co. will not be able to open an account or establish a relationship with you. CF&Co. reserves the right to request additional information or documentation at any time at its sole discretion. Material changes in account information should be forwarded in writing to CF&Co.'s Compliance Department at the address below.

Execution Quality & Order Routing

SEC Rule 605

SEC Rule 605 of Regulation NMS requires market centers that trade National Market System (NMS) securities to make available to the public monthly electronic reports that include uniform statistical measures of execution quality. The SEC requires that the disclosure of a market center's order execution information be made available free and readily accessible to the public via a web site. Information regarding CF&Co.'s most recent monthly SEC Rule 605 quality of executions information is available at https://vrs.vista-one-solutions.com/sec605rule.aspx

Disclosure of Order Routing Information

SEC Rule 606(a) requires all brokerage firms to make publicly available quarterly reports, containing certain required statistical information regarding the routing of held, non-directed customer orders in Regulation NMS stocks and listed options. Cantor Fitzgerald & Co. ("CF&Co.") is publishing such quarterly report in accordance with Rule 606(a) and will keep the report publicly available for a period of three (3) years. The report contains a section for Regulation NMS stocks (separated by securities that are included in the S&P 500 Index as of the first day of the quarter and other Non-S&P 500 stocks) and a separate section for listed options. For each section, the report identifies the venues to which CF&Co. routed the relevant orders and, for each venue, the required statistical information broken down by order type (i.e., market order, marketable limit order, non-marketable limit order and other orders). Each section of the report also contains information regarding the material aspects of CF&Co.'s relationship, if any, with each venue.

For more information regarding the quarterly reports required by SEC Rule 606(a), and other aspects of SEC Rule 606, you may review the final rule here: https://www.sec.gov/rules/final/2019/34-85714.pdf most recent quarterly SEC Rule 606 order routing information is available at:

SEC Rule 606(a) Report: https://mta.ihsmarkit.com/app-v2/public-report-library/public-report-library-view/Cantor%20Fitzgerald%20LP/272

Please note that, consistent with the requirements of SEC Rule 606(a), the information presented in the report concerns only a small portion of CF&Co.'s customer order flow. The statistical information and disclosures required by SEC Rule 606(a) do not encompass all of the information necessary to assess execution quality.

In addition, the Firm shall, pursuant to Rule 606(b)(3) on request of a customer that places, directly or indirectly, one or more orders in NMS stocks that are submitted on a not held basis with the broker or dealer, disclose to such customer within seven business days of receiving the request, a report on the Firm's handling of such orders for that customer for the prior six months by calendar month. Please contact your sales representative to make a request for information.

Payment For Order Flow

CF&Co. is required to provide disclosures to its clients regarding receipt of payment for order flow and for determining where to route client orders that are the subject of payment for order flow. "Payment for order flow" refers to payments between broker-dealers and market centers for order direction. This term does not refer to commissions or fees paid by CF&Co.'s clients.

In efforts to seek best execution, CF&Co. routes client and principal orders to national securities exchanges, dark pools and alternative trading systems ("ATSs") which may include both CF&Co.'s affiliates and other broker-dealers (venues or market centers). Based upon the fee schedules of those venues, certain market centers may offer credits/rebates on a per share basis for orders that provide liquidity to their books, and assess charges/fees for orders that take liquidity from their books (i.e., the maker/taker model).

In some cases, it is possible that the credits/rebates offered to CF&Co. by a market center may exceed the charges/fees assessed over a period; such cases constitute payment for order flow.

Commission Sharing

The Firm from time to time may enter into an arrangement with broker-dealers and/or affiliates; whereby the entities may share in commissions charged on transactions.

Material Aspects of Relationship with Route Venues

Pursuant to SEC guidance, CF&Co. identifies itself as the execution venue on riskless principal executions in which it acts as a market center. CF&Co. makes a market in numerous securities, including, without limitation, those listed on NASDAQ, BATS Exchanges, and ARCA. CF&Co. may internalize non-directed client orders in securities in which it makes a market. In these instances, CF&Co. could incur profits or losses by trading as principal with these internalized client orders.

CF&Co. may route orders to GTS Securities, LLC. CF&Co. has the right to receive a share of certain revenues of GTS Securities, LLC and its affiliates ("GTS"). Accordingly, CF&Co. may share in some of the profits that GTS derives from the execution of CF&Co. customer orders executed by GTS.

In addition, from time-to-time, CF&Co. may utilize other third-party liquidity providers to source liquidity for large block size orders. In these instances, CF&Co. may contact the liquidity provider and request pricing from the third-party liquidity provider, without disclosing the underlying customer. If agreed to between CF&Co. and the third-party liquidity provider, CF&Co. will route an order as principal to such liquidity provider for execution, the liquidity provider will fill the order at the agreed to price, and CF&Co. will pass the execution/liquidity to the customer on a riskless principal basis. CF&Co. will share in a portion of the profits, if any, that the third-party liquidity provider derives from the unwind of CF&Co. orders executed by such liquidity provider. The source and amount of any such renumeration received by the Firm will be furnished upon written request.

Policy for Determining Where to Route Client Orders

CF&Co. may, depending on several factors, route a client's order to source additional liquidity in efforts to achieve best execution on behalf of such client. The following is a non-exhaustive list of examples of such factors: (i) the character of the market for the security (e.g., price, volatility, and relative liquidity); (ii) the size and type of transaction; accessibility of the quotation; and (iii) the terms and conditions of the client order as communicated by the client. CF&Co. may route a client order to other broker-dealers (including market makers), ATSs or dark pools, and to national securities exchanges for execution.

SEC Rule 611

CF&Co. has policies and procedures reasonably designed to comply with SEC Rule 611 of Regulation NMS (the "Order Protection Rule") and apply best execution principles and best practices for handling client orders. When executing client orders principally in a capital commitment scenario, CF&Co. will route intermarket sweep orders ("ISO's") to execute against protected quotations if necessary to comply with the Order Protection Rule.
Unless explicitly agreed to prior to execution, any fills from these ISO's will not be passed along to the client, but instead will be for CF&Co.'s principal account.

Options Trading

Options involve risk and are not suitable for all investors. There is no guarantee that the option strategies promoted will accomplish the stated objectives. Options trading is considered speculative and may result in the loss of a portion of or all of your initial investment and/or funds in excess of the principal invested. Prior to buying or selling an option, you should read “Characteristics and Risks of Standardized Options”, which is known as the options disclosure document (ODD). Electronic copies of the ODD and any supplements are available on the Options Clearing Corporation website, which is located at the following link: http://www.optionsclearing.com/about/publications/character-risks.jsp

There are special risks associated with uncovered option writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions.

- The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.
- As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
- Uncovered option writing is thus suitable only for a knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer’s options position, your CF&Co. representative may request significant additional margin payments. If you do not make such margin payments, CF&Co. may liquidate stock or option positions in your account, with little or no prior notice in accordance with your margin agreement.
- For combination writing, where an investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
- If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.
- The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.
- You are expected to have read and clearly understand the ODD. In particular, your attention is directed to the chapter entitled Risks of Buying and Writing Options. This chapter does not address all of the risks entailed in writing uncovered options.

Extended Hours Trading Risk Disclosure Statement

In accordance with FINRA Rule 2265, the Firm is providing the following regarding the risks associated with trading in the pre-market session or the post-market session of extended hours trading. Clients should consider the following points before engaging in extended hours trading. For the purposes of this section, “regular trading hours” generally means the time between 9:30 AM EST and 4:00 PM EST; and “Extended hours trading” means trading outside of regular trading hours.

- **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities.

Generally, the more orders that are available in a market, the greater the liquidity for such security. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.

- **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads.** The “spread” refers to the difference in price between what you can buy a security for, and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

Order Handling (“Held” or “Not Held” Orders)

All orders will be handled on a not held basis. CF&Co. does not accept held orders. A “not held” order means a client is giving CF&Co. discretion over the time and price at which the order is to be executed. When clients place a “not held” order with CF&Co. and leave the price and time of execution to the discretion of the trader, CF&Co. may trade in the security for its own account prior to the completion of the client order.

FINRA Rule 5320 Disclosure

FINRA Rule 5320 generally provides limitations applicable to broker-dealers who accept and hold an order in an equity security for its client or a client of another broker-dealer. In the event the broker-dealer does not immediately execute the subject client order, the broker-dealer’s own trading account would be subject to the following prohibitions: the broker dealer cannot trade the same security on the same side of the market as the subject client order, at a price that would satisfy the subject client order. Rule 5320 deems the aforementioned activity permissible so long as the broker-dealer immediately thereafter executes the client order up to the size and at the same or better price at which the broker-dealer traded for its account.

CF&Co. avails itself of certain exceptions permissible under this rule, as described below:

I. **Large Orders and Institutional Accounts**

FINRA Rule 5320 permits broker-dealers to negotiate terms and conditions on the acceptance of (i) certain large-sized orders (i.e. orders of 10,000 shares or more and greater than $100,000 in value) and (ii) orders from institutional accounts that would permit broker-dealers to trade ahead of, or along with, such orders, *provided that* the firms give a clear and comprehensive written disclosure to such client at the time of account opening and annually thereafter. The Firm hereby discloses that it may trade on a principal basis at a price that would satisfy the client order.

Institutional accounts and persons placing orders with CF&Co. for 10,000 shares or more not otherwise subject to the protections afforded by Rule 5320 may "opt in" to the Rule 5320 protections by providing written notice with respect to **all** orders to CF&Co.'s Compliance Department at 110 East 59th Street, 7th Floor New York, NY 10022, or ComplianceNY@cantor.com. If a client does not opt in to the Rule 5320 protections with respect to all or any portion of its order(s), the Firm may reasonably conclude that the client has consented to the firm trading a security on the same side of the market for its own account at a price that would satisfy the client's order as described herein. However, please note that even when a client has opted in to the FINRA Rule 5320 protections, a broker-dealer may still obtain consent on an order-by-order basis to trade ahead of or along with an order from that client.

II. **No-Knowledge Exception**

FINRA Rule 5320 provides an exception for a broker-dealer's principal trading in NMS stocks where (i) the principal trading unit does **not** have knowledge of such client order, and (ii) where the broker-dealer has implemented internal controls, such as appropriate information barriers that prevent one trading unit from obtaining knowledge of client orders held by a separate trading unit. In such case, a trading unit trading in a principal capacity may continue to trade at prices that would satisfy a client order held by the separate trading unit.

III. **"Not Held" Orders**

When a client places a "not held" order with CF&Co. and leaves the price and time of execution to the discretion of the trader, CF&Co. may trade in the security for its own account prior to the completion of the client order.

IV. **Pre-Market & Post-Market Orders**

CF&Co. may accept client orders outside of regular trading hours. Such client orders will be handled based on specific order instructions including, but not limited to, limit price and timeframe to which the order is eligible for execution (e.g., regular/extended trading hours). Unless specifically stated within the order instructions, all orders received prior to 9:30 AM EST will be handled and eligible for execution in the regular trading hours session of that business day.

Guaranteed and Benchmark Orders

CF&Co. may receive orders from clients where both parties agree to transact at a price based upon a particular benchmark. These benchmarks could be based upon the closing price on a national securities exchange, the Volume-Weighted Average Price ("VWAP") or Time-Weighted Average Price ("TWAP") of such securities over a specified period. CF&Co. will generally attempt to offset the risk of such agreements by entering other principal transactions. This means that CF&Co. may be at risk on all or part of the subject order. Nonetheless, any resulting profit or loss from the hedge or principal position/execution will accrue to CF&Co., unless otherwise agreed to with a client on a case-by-case basis.

Although CF&Co.'s hedging activities may influence the benchmark price, the Firm will employ reasonable means in an attempt to minimize market impact, where reasonably practicable under the circumstances, market conditions permitting. Other principal or client activity executed by CF&Co. in the same securities or related instruments may impact the benchmark and your execution price.

FINRA Rule 5270 Disclosure

FINRA Rule 5270 prohibits FINRA member broker-dealers from executing orders to buy or sell certain securities or related financial instruments when the member has material, non-public information ("MNPI") concerning an imminent block transaction in those securities, related financial instruments, or securities underlying the related financial instruments, prior to the time information concerning the block transaction has been made publicly available or has otherwise become stale or obsolete.

FINRA Rule 5270 permits certain exceptions to the foregoing prohibition, including transactions that are undertaken to fulfill or facilitate the execution of a client block order. CF&Co. may rely on exceptions to FINRA Rule 5270 while executing block orders for its clients. In connection with the handling of a client's block order, CF&Co. may engage in hedging, offsetting, liquidating, facilitating, or positioning transactions ("risk-mitigating transactions") that may occur at the same time or in advance of this order. Such activities may have an impact on market prices. Beyond these risk-mitigating transactions, CF&Co. will generally refrain from conduct that could disadvantage or harm the execution of client's orders or that would place CF&Co.'s financial interests ahead of clients. Unless client informs CF&Co. otherwise in writing ("opt out"), the Firm will conclude that client understands that CF&Co. may engage in risk-mitigating transactions in connection with client orders and the Firm will conclude that client has given its consent to CF&Co. to handle block transactions as described above.

Client may choose to opt out by providing written notice to CF&Co.'s Compliance Department at 110 East 59th Street, 7th Floor New York, NY 10022, or ComplianceNY@cantor.com. Please direct any questions regarding FINRA Rule 5270 to a CF&Co. equity sales representative.

Rule 15c3-5 and Market Access

SEC Rule 15c3-5 (the "Market Access Rule") requires broker-dealers with or providing access to trading securities on exchanges or alternative trading systems ("ATSs") to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory and other risks in connection with market access. CF&Co. has developed controls to reasonably designed to comply with the Market Access Rule that will reject or block orders that exceed previously defined risk parameters.

Indications of Interest

Clients may receive indications of interest (“IOIs”) from CF&Co. CF&Co. communicates IOIs in a variety of ways, including third-party vendor systems. These IOIs may be designated as either “natural” or “non-natural.”

As we use the term, a “natural” IOI is an indication representing (a) client interest or (b) CF&Co.’s interest to liquidate a principal position established as the result of prior client facilitation. Therefore, resulting transactions may be executed on an agency cross basis, principal basis or mixed capacity. A “non-natural” IOI (also called a “Super” message in some vendor systems) is an indication of CF&Co.’s interest to provide you liquidity by trading as principal with you without reference to a facilitation of a client order.

Net Trading

CF&Co. may execute orders received from its institutional clients and broker-dealers on a net basis. In the event that you prefer CF&Co. does not execute your orders on a “net” basis, please contact your CF&Co. sales representative to express such preference. If you have no objection to CF&Co. executing your orders on a “net” basis, then no action is necessary on your part. Broker-dealers who route orders to CF&Co. may also have an obligation to provide a net trading disclosure to their end customers.

A “Net Trade” is a principal transaction in which CF&Co. may perform either of the following actions:

- After having received an order to buy an equity security, CF&Co. then purchases that equity security at one price and then sells it to you at a different price; or,
- After having received an order to sell an equity security, CF&Co. then sells that equity security at one price and then buys it from you at a different price.

In either case, CF&Co. does not charge the client a disclosed commission. Instead, CF&Co. will receive the price difference between the principal transaction to buy (or sell) the security and the subsequent sale (or purchase) of the same security to (or from) client as compensation for executing the transaction.

Net Trades are not eligible for an exemption under the Order Protection Rule. The net price that is reported to the appropriate Trade Reporting Facility (TRF) and disseminated to the public is the price of the trade. If necessary, CF&Co. will route intermarket sweep orders (“ISOs”) to execute against protected quotations to comply with the Order Protection Rule. Unless explicitly agreed to prior to execution, any fills from these ISOs will not be passed along to the client, but instead will be for CF&Co.’s principal account.

Solicited Order Mechanism Notification

When handling an order of 500 contracts or more on client’s behalf, CF&Co. may solicit other parties to execute against this order and may thereafter execute it using the International Securities Exchange’s (the “ISE”) Solicited Order Mechanism (“Mechanism”). This functionality provides a single-price execution only, so that the entire order may receive a better price after being exposed to the ISE’s participants, but it will not receive partial price improvement. For further details on the operation of the Mechanism, please refer to ISE Rule 716, which is available at https://listingcenter.nasdaq.com/rulebook/ise/rules

Transactions Pursuant to Restriction

A client must inform CF&Co. prior to sending any order in a security which is deemed to be "restricted" under Rule 144 of the Securities Exchange Act of 1933, as amended, and the client agrees that any such order shall be effected only in accordance with the policies and requirements prescribed from time to time by CF&Co. (including, but not limited to, execution of appropriate documentation and receipt of opinion of counsel).

CF&Co. reserves the right to reject all or any orders on a client-by-client and/or symbol-by-symbol basis at any time and for any reason related to its risk controls, whether financial, regulatory or other, as determined by CF&Co. in its sole discretion. The aforementioned right applies to, but is not limited to, transactions in low-priced securities such as microcap, shell-company, caveat emptor, and alike securities. In addition, for client orders in which upon settlement the shares will not settle in an electronic manner (such as shares held in physical certificates), CF&Co. reserves the right to cancel such trades. CF&Co. may at its discretion choose to accept settlement of physical shares only upon agreed terms, in which its counterparty clearly identified prior to, or at the time the order was received, that settlement would not occur in an electronic manner.

ETF Disclosures

CF&Co may have interests different than yours relating to Exchange Traded Funds ("ETFs") that you may purchase from or sell to us. The following sets forth a non-exhaustive list of such interests that may arise:

I. CF&Co. may, pursuant to an agreement with the ETF trust, transfer agent, and distributor, act as an authorized participant ("AP") in the purchase or sale of fund shares directly from an ETF and may, from time to time, act in such capacity. As an AP or otherwise, CF&Co. may have information about pending creations and/or redemptions of ETF shares. Similarly, CF&Co. may act as a market maker, or block positioner in the ETF shares, or in securities or other instruments that comprise the ETF, or are part of the index whose performance the ETF seeks to track. CF&Co. may buy or sell ETF shares, the underlying securities of a fund, derivatives, or other instruments, for other customers or for its own account while you are selling or buying ETF shares. CF&Co. may receive customary brokerage commissions, mark-ups/mark-downs, or other charges and fees from these transactions and, when acting as principal, may also benefit from any spread. Therefore, by acting in such capacities, CF&Co. may have positions in financial instruments mentioned herein, may have acquired such positions at prices no longer available and may have interests different than your interests.

II. Unless otherwise agreed between an ETF trust and CF&Co., pursuant to the terms on an AP agreement and the prospectus of a fund, ETF shares may only be redeemed in such aggregate units and not individually. Therefore, you understand and agree that any ETF shares you hold are not individually redeemable and may only be redeemed in such aggregate units (Creation Units) through an AP and in accordance with such fund's prospectus.

III. CF&Co. may publish research reports, desk commentary, sales commentary, reports and data with respect to ETF in-flows and out-flows, or otherwise express long-term or short-term views about an ETF, an index, the performance of which an ETF seeks to track, and/or the underlying securities and other instruments that comprise the index and/or ETF. The information contained in such content is subject to change and does not purport to contain all of the information that may be required to evaluate the ETF shares. CF&Co. and its affiliates undertake no obligation to provide recipients of such content with any additional information or any update to, or correction of, the information contained therein. Thus, you are strongly encouraged to read any offering documents, including the prospectus, registration statements and other regulatory filings related to such ETF shares.

IV. In the short run, CF&Co.'s activities may impact the performance of the ETF, the underlying index securities, derivative instruments and/or the price at which you will be able to transact in your ETF shares in the secondary market. CF&Co.'s trading activities will, at times, be contrary to the trading activities of the ETF or ETF shareholders and CF&Co.'s interests will, at times, be inconsistent with those of the ETF and ETF shareholders. It is also possible that the Firm's activities could result in trading gains for CF&Co. while the value of the ETF shares declines.

"Benchmark" Orders

CF&Co. often receives orders from clients in ETFs where both parties agree to transact at a price based upon a particular benchmark on a "best efforts" basis. These benchmarks could be based upon the closing price on a national securities exchange, VWAP or TWAP of such securities over a specified period, or target the Net Asset Value ("NAV") of the ETF; although, for the avoidance of doubt, you understand that an exact NAV price is not achievable and it cannot be guaranteed. CF&Co. will generally attempt to offset the risk of such agreements by transacting in the benchmark securities, their underlying components, or in derivative instruments, although the Firm may not try to hedge fully its exposure. This means that CF&Co. may be at risk on all or part of the subject order. Nonetheless, any resulting profit or loss from the hedge or principal position/execution will accrue to CF&Co. Although CF&Co.'s hedging activities may influence the benchmark price, the Firm will employ reasonable means to minimize market impact, market conditions permitting. Other principal or client activity executed by CF&Co. in the same securities or related instruments may impact the benchmark and your execution price. CF&Co., or any person who controls such persons within the meaning of Section 15 of the Securities Act of 1933, as amended, shall not be liable for any damages arising from any differences in performance between the underlying securities of an ETF and the ETF's benchmark index.

Settlement of Securities Transactions

The Securities and Exchange Commission requires broker-dealers to settle most securities transactions within two business days ("T+2") of their execution date. These include transactions for stocks, bonds, options (exercise and assignment), rights, warrants, municipal securities, Exchange Traded Funds (ETFs), Exchange Traded Products (ETPs), American Depositary Receipts (ADRs), certain mutual funds and limited partnerships that trade on an exchange. The T+2 requirements do not apply to certain other categories of securities, such as exempted securities. The shortened settlement aligns the U.S. settlement cycle with the settlement cycles in other (non-U.S.) markets.

When a customer buys a security, CF&Co. must receive payment from the customer no later than two (2) business days after the trade is executed. When a customer sells a security, the customer must deliver the security to CF&Co. no later than two (2) business days after the sale.

Municipal Advisor Rule

As a result of the SEC's Municipal Advisor Rule (effective July 1, 2014), if a firm acts as a municipal advisor to a municipal entity or obligated person with respect to certain investment advice described below, it must be registered as a municipal advisor. A municipal advisor owes a fiduciary duty to the municipal entity to which investment advice is given and must not take any action inconsistent with its fiduciary duty to the municipal entity. Accordingly, firms and their affiliates may be prohibited from effecting certain principal transactions for a municipal entity and obligated person if they serve as their municipal advisor.

It is CF&Co.'s intention not to act as a municipal advisor, but to conduct arm's-length commercial transactions with you. CF&Co. is acting in a principal capacity and not as an advisor and as such, does not owe a fiduciary duty pursuant to Section 15B (SEC Rule 15Ba-1 et seq.), as amended in the Securities Exchange Act of 1934 to you as a municipal entity or obligated person with respect to any securities brokerage transactions executed by or through CF&Co on your behalf.

At the onset of the relationship (i.e., account opening), the Firm conducts a review of all accounts this process includes determining whether the account seeks to invest any funds that constitute (i) proceeds of municipal securities or (ii) municipal escrow investments. This ensures the Firm understands the types of funds the entity is investing and when dealing with these accounts the Firm is not deemed as providing advice.

Liquidity Sourcing

For certain asset classes, including but not limited to U.S. Treasuries, sovereigns and corporate bonds, CF&Co. has developed tools designed to access both internal and external sources of liquidity, including from affiliates. In some cases CF&Co. will select a single entity as a source of liquidity, including from an affiliate. In other cases CF&Co. will select multiple sources of liquidity, including from affiliates. In either case, we are not obligated to disclose the source(s), and CF&Co. will act as the principal counterparty to the client's order. When sourcing from an affiliate, CF&Co will receive remuneration from the affiliate. The nature of the markets in these asset classes is that prices are available from a number of different dealers, and clients should not rely on CF&Co. in determining the best available price.

U.S Treasury Securities Fails Charge Trading Practice

CF&Co. has adopted the U.S. Treasury Securities Fails Charge Trading Practice published by the Treasury Market Practices Group ("TMPG") and the Securities Industry Financial Markets Association ("SIFMA"). Accordingly, all delivery versus payment or delivery versus transfer transactions that we have with you is subject to the US Treasury Securities Fails Charge Trading Practice published by TMPG and SIFMA at: https://www.sifma.org/resources/general/fails-charge-trading-practices/.

Treasury Market Practice Group ("TMPG") Guidelines for Handling Information

CF&Co. has been designated by the Federal Reserve Bank of New York as a primary dealer in U.S. Treasury securities. CF&Co. adheres to the guidelines related to the TMPG handling practices. The guidelines include the establishment of information handling policies related to the appropriate use and handling of confidential information, disclosure, an internal control program and review and training. https://www.newyorkfed.org/medialibrary/Microsites/tmpg/files/TMPG_BestPractices_012218.pdf. For additional information please contact your representative.

CF&Co. is Registered with SEC and MSRB

&Co. is registered as a broker dealer with both the SEC and the MSRB. Information about the duties of a dealer, as well as the procedures for filing a complaint, may be found on the MSRB's website by typing the following website into your internet browser: http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/~/media/11344A6AF3B340129B4B2BBBB0041411.ashx. The general website for the MSRB is www.msrb.org.

NFA Background Affiliation Status Information Center (BASIC)

When opening an account and on an annual basis, the Firm is required to provide customers written notice of the NFA's BASIC system. As such, please see the following link: https://www.nfa.futures.org/basicnet/

FINRA BrokerCheck

FINRA BrokerCheck is a free tool that assists investors by providing background and regulatory information on current and former FINRA member firms and registered representatives. This information can be obtained at https.brokercheck.finra.org or by calling the FINRA BrokerCheck Hotline toll-free number at 1-800-289-9999. A copy of an investor brochure that includes information describing FINRA BrokerCheck can be obtained by calling the FINRA BrokerCheck Hotline number or accessing the FINRA website.

Information on the Securities Investor Protection Corporation ("SIPC")

IPC was created by the Securities Investor Protection Act of 1970 ("SIPA") and its primary purpose is to provide protection within the limits of the SIPA to securities clients of failed brokers or dealers who are members of the SIPC. CF&Co. is a member of the SIPC. Information on SIPC and the SIPC Brochure is available at either www.sipc.org, or by contacting SIPC at (202) 371-8300, or by sending an email request to asksipc@sipc.org.

Voice Recording Disclosure

In accordance with applicable laws and regulations, CF&Co. may record certain telephone conversations with outside parties. By communicating with CF&Co., you consent to the voice recording of conversations with personnel of CF&Co. and its affiliates.

Privacy Policy Notice

CF&Co.'s privacy policy is available at https://www.cantor.com/customer-privacy-notice/

Business Continuity Plan

CF&Co.'s Business Continuity information is available at: https://www.cantor.com/legal-statement/

Statement of Financial Condition – SEC Rule 17a-5(c)

In accordance with Securities Exchange Act Rule 17a-5(c), Cantor Fitzgerald & Co. makes its Statement of Financial Condition available free of charge at the following link: https://www.cantor.com/disclosures/

The most recent audited statement filed is available for inspection at the principal office of CF&Co. and at the New York Regional Office of the SEC.

Complaints

In accordance with SEC Rule 17a-3(a)(18)(ii), please be advised that any complaints may be directed to the following:

Cantor Fitzgerald & Co.
110 East 59th Street, 7th Floor
New York, NY 10022
Attention: Chief Compliance Officer

Questions

Should you have any questions or require any additional information regarding this statement, please contact your client sales representative.