

Disclosure Brochure

September 1, 2013

Cantor Fitzgerald Wealth Partners, LLC

A Registered Investment Adviser

This brochure provides information about the qualifications and business practices of Cantor Fitzgerald Wealth Partners, LLC (hereinafter "CFWP," "we," "our"). If you have any questions about the contents of this brochure, please contact us at (212) 915-1010. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Cantor Fitzgerald Wealth Partners, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Cantor Fitzgerald Wealth Partners, LLC is an SEC-registered investment adviser. Registration does not imply any level of skill or training.

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Item 2. Material Changes

Not applicable.

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Item 4. Advisory Business

Cantor Fitzgerald Wealth Partners, LLC (“CFWP,” “we” or “our”) is an SEC-registered investment adviser with its principal place of business located in New York. CFWP began conducting business in May 2013. As of September 1, 2013, CFWP does not have any assets under management.

Cantor Fitzgerald Wealth Partners Holdings, LLC is CFWP’s parent company and the principal shareholder of CFWP.

We, through our individual financial advisors (each, a “Financial Advisor”), provide financial planning, consulting and investment management services. Each Financial Advisor is committed to our process of helping clients to build and maintain wealth, which includes the following:

1. Understanding a client’s goals and risk;
2. Analyzing the macroeconomic environment to provide rational expectations on future economic conditions;
3. Building a sound foundation by matching investment products to the economic environment; and
4. Identifying “relative value” — what is over-valued and what is under-valued in the marketplace.

Within this framework, each Financial Advisor has his or her own investment selection process and approach to investing. Different Financial Advisors may provide different advice to clients with similar financial situations and investment goals. Each Financial Advisor may provide any or all of the services listed below. While each Financial Advisor will inform the client of the specific services he or she will provide, the client should carefully review the description of services below to fully understand which services the client will receive.

DESCRIPTION OF SERVICES

CFWP provides financial planning, consulting, and portfolio management services. Prior to engaging us to provide any of the foregoing investment advisory services, clients are required to enter into one or more written agreements with us setting forth the terms and conditions under which we render our services (collectively the “Agreement”).

Portfolio Management

We can be engaged to manage all or a portion of a client’s assets based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client’s particular circumstances are established, we develop a personal investment policy for each client and create and manage a portfolio based on that policy. During the data-gathering process, we determine the client’s individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client’s prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities;
- Securities traded over-the-counter;
- Corporate debt securities (other than commercial paper);
- Commercial paper;
- Certificates of deposit;
- Municipal securities;
- Mutual fund shares;
- Exchange-traded funds;
- United States governmental securities;
- Options contracts on securities
- Separate Account Managers (as described below); and
- Interests in partnerships and privately placed securities that invest in real estate, oil and gas, debt, equity or other privately placed securities.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Clients are advised to promptly notify their Financial Advisor if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon our management services.

We may also render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, Financial Advisors either direct or recommend the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

Selection and Monitoring of Third-Party Separate Account Managers

We may also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("Separate Account Managers"), based upon the stated investment objectives of the client. This may be accomplished through directly engaging Separate Account Managers or through the use of third-party platforms (often called "turnkey asset management programs" or "TAMPs") where such Separate Account Managers are available. The Separate Account Managers or TAMPs may provide additional administrative services to clients as well as investment management services.

The terms and conditions under which the client engages the Separate Account Managers are set forth in a separate written agreement between us or the client and the designated Separate Account Managers. We render services to the client relative to the discretionary and/or non-discretionary selection or recommendation of Separate Account Managers. We also monitor and review the account performance and the client's investment objectives. We receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Separate Account Managers.

When recommending or selecting a Separate Account Manager for a client, we review information about the Separate Account Manager such as its disclosure brochure and/or material supplied by the Separate Account Manager or independent third parties for a description of the Separate Account Manager's investment strategies, past performance and risk results to the extent available. Factors that we consider in recommending a Separate Account Manager include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Separate Account Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, our investment advisory fee set forth below. As discussed above, the client may incur additional fees than those charged by us, the designated Separate Account Managers, and corresponding broker-dealer and custodian.

In addition to our written disclosure brochure, the client also receives the written disclosure brochure of the designated Separate Account Managers. Certain Separate Account Managers may impose more restrictive account requirements and varying billing practices than us. In such instances, we may alter our corresponding account requirements and/or billing practices to accommodate those of the Separate Account Managers.

If we refer a client to a Separate Account Manager where our compensation is included in the advisory fee charged by such Separate Account Manager and the client engages the Separate Account Manager, we are compensated for our services by receipt of a fee to be paid directly by the Separate Account Manager to us in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any

such fee is paid solely from the Separate Account Manager's investment management fee, and does not result in any additional charge to the client.

Financial Advisor Reporting Only Services

We may also be engaged to provide reporting services through TAMPs that allow Financial Advisors to monitor clients' accounts. Financial Advisors are able to examine their clients' holdings, allocation of assets and portfolio performance. Performance reporting is calculated according to industry standards and is applied to each account or combination of several related accounts for a household's or family's assets. When providing these services, clients should be aware that neither we, nor the Financial Advisor, are actively managing such accounts.

Financial Planning

We provide financial planning services. Our financial planning services include a comprehensive evaluation of a client's current and future financial state by using currently known variables to help predict future cash flows, asset values, and withdrawal plans. Through the financial planning process, all questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients that choose this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

These planning services include any or all of the following: income tax, estate tax, insurance, education, retirement, and capital and tax flow. To the extent other services are needed, we will assist you in those areas. We may also help you coordinate the implementation of any recommendations made, including referral to other practicing professionals such as an attorney, accountant or insurance agent whose services may be required.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Investment recommendations in financial plans may include any or all of the following:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Commercial paper

- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Any investments held by the client at the inception of the advisory relationship.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature. In performing its services, we are not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and we will rely on such information. Financial Advisors may recommend the services of us, themselves, and/or other professionals to implement the financial planning recommendations. Clients are advised that a conflict of interest exists if Financial Advisors or CFWP recommend their own services. The client is under no obligation to act upon any of the recommendations made by us under a financial planning or consulting engagement or to engage the services of any such recommended professional, including us or any affiliate. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of our recommendations. Clients are advised that it remains their responsibility to promptly notify us if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising our previous recommendations and/or services.

Sponsor / Manager of Wrap Program

We are the sponsor and manager of the CFWP Wrap Program (the "Program"), a wrap fee program. In the event the client participates in the Program, CFWP provides its investment management services and arranges for brokerage transactions under a single annualized fee. Participants in the Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the Program's terms and conditions (including fees) are contained in the Program's wrap fee brochure.

Item 5. Fees and Compensation

CFWP offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

Portfolio Management

We provide portfolio management services for an annual fee based upon a percentage of the market value of the assets being managed by us. Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Our annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed on the last day of the previous quarter. The annual fee varies but will typically range between .50% and 2.50% depending upon a number of factors including the market value of the assets under management, the type of investment management services to be rendered, and the Financial Advisor providing the services. We may negotiate fees on a client-by-client and Financial Advisor-by-Financial Advisor basis.

Clients may make additions to and withdrawals from their account at any time, subject to our right to terminate an account. Additions may be in cash or securities provided that we reserve the right to liquidate any transferred securities or decline to accept particular securities into a client's account.

If assets in excess of \$100,000 of the existing portfolio value are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is prorated to account for the change in portfolio value.

Financial Planning Fees

Our Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. We may charge a fixed or hourly fee for Financial Planning. All fees are agreed upon prior to entering into a contract with any client.

Hourly fees will generally range from \$100 to \$500 per hour depending upon the level and scope of the services and the Financial Advisor rendering the services. Although the length of time it will take to provide a Financial Plan will depend on each project's specific scope, we will provide an estimate for the total hours at the start of the financial planning relationship. Fixed fees will generally range from \$2,000 to \$50,000, depending on the specific arrangement reached with the client.

Total costs for financial plans, whether provided on an hourly or fixed fee basis, may range from as little as \$500 to as much as \$500,000 or more. There is no "typical" plan as services are customized to the particular needs of the client. Accordingly, a wide range of fees may be imposed. Should a contract be terminated prior to the service being delivered, we will bill for work completed. In the case of prepayment of fees, the prorated refund will be based upon the hourly rate of the Financial Advisor who provided

services.

We may request a retainer upon completion of our initial fact-finding session with the client. The balance is due upon completion of the plan. The implementation of any or all financial planning recommendations is solely at the discretion of the client.

GENERAL INFORMATION

Billing: Our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Receipt of commissions: Certain Financial Advisors and other employees are separately licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacities, these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees, or other sales-related forms of compensation). In addition, CFWP expects to be an SEC registered broker-dealer and member of FINRA and in such capacity we may receive a share of commissions generated by Financial Advisors.

This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. Each Financial Advisor may, at his or her discretion, offset the client's Financial Planning fees to the extent the Financial Advisor or other of our related persons have earned commissions from implementing financial planning recommendations. Commissions for product transactions will never serve as a credit on the client's account.

Limited Negotiability of Advisory Fees: Although we have established the range of fees listed above, each Financial Advisor may negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, and the policy of the particular Financial Advisor, among other factors. Clients with similar financial situations and investment goals who use different Financial Advisors may pay different fees. We will review all fees to ensure that they are reasonable. The specific fee schedule will be identified in the contract between our firm and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund and ETF Fees: All fees paid to CFWP for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, and except in the case of any Separate Account Manager that manages client accounts through a wrap program (for which clients will receive a written brochure from the Separate Account Manager), our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV Brochure for additional information.

ERISA Accounts: CFWP may be deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, CFWP may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset CFWP's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess

of \$1200 more than six months in advance of services rendered.

Item 6. Performance-Based Fees and Side-by-Side Management

We do not charge performance-based fees.

As noted in Item 4 of this Brochure, different Financial Advisors may provide different advice to clients with similar financial situations and investment goals. A situation could arise in which one Financial Advisor is purchasing a security at the same time that another Financial Advisor is selling or shorting that security (please see Item 8 of this Brochure for a discussion of short selling). While each Financial Advisor has access to and considers the opinions of the other Financial Advisors, and all have access to the same research, each Financial Advisor is individually responsible for the day-to-day management of his or her own client's portfolios, and is unaware of trades being placed by other Financial Advisors.

Item 7. Types of Clients

We provide advisory services to the following types of clients:

- Individuals (other than high net worth individuals);
- High net worth individuals;
- Pension and profit sharing plans;
- Charitable organizations; and
- Corporations or other businesses.

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

Methods of Analysis

Each Financial Advisor may use any or all of the following methods of analysis in identifying attractive investment opportunities or determining an investment program for the client. Clients should review with each Financial Advisor the specific methods of analysis being used for the client's portfolio.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and

management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis: We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis: We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in

another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis: We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies and Risks of Loss

We will issue a list of approved investments and Separate Account Managers that a Financial Advisor can utilize in client portfolios. Each Financial Advisor will then manage his or her clients' assets by allocating amongst any of the approved investments and Separate Account Managers.

Each Financial Advisor may use any or all of the following investment strategies in identifying attractive investment opportunities or determining an investment program for the client. Clients should review with each Financial Advisor the specific investment strategies being used for the client's portfolio.

Long-term purchases: We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading: We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or
- the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short sales: We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

Short selling results in some unique risks:

- Losses can be infinite. A short sale loses when the stock price rises, and a stock is not limited (at least, theoretically) in how high it can go. For example, if you short 100 shares at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.
- Short squeezes can wring out profits. As stock prices increase, short seller losses also increase as sellers rush to buy the stock to cover their positions. This increase in demand, in turn, further drives the prices up.
- Timing. Even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company is overvalued, it could conceivably take some time for the price to come down; during which you are vulnerable to interest, margin calls, etc.
- Inflation. History has shown that over the long term, most stocks appreciate. Even if a company barely improves over time, inflation should drive its share price up somewhat. In fact, short selling may not be appropriate in times of inflation for that very reason, as prices may adjust upwards regardless of the value of the stock.

Margin transactions: We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Option writing: We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Use of Separate Account Managers: We may recommend the use of Separate Account Managers for certain clients. A risk of using Separate Account Managers is that while we will continue to do ongoing due diligence of such managers, these recommendations rely, to a great extent, on the Separate Account Managers' ability to successfully implement their investment strategy. In addition, we do not have the ability to supervise the Separate Account Managers on a day-to-day basis.

Use of Private Collective Investment Vehicles: We may recommend the investment by certain clients in privately placed collective investment vehicles. Risks of using these investments include the fact that the managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The managers of these vehicles may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

General Risk of Loss: Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9. Disciplinary Information

Not applicable

Item 10. Other Financial Industry Activities and Affiliations

Broker Dealer

CFWP expects to be an SEC registered broker-dealer and member of FINRA. We may receive a portion of any commissions generated by Financial Advisors in their individual capacity as registered representatives of other broker-dealers (as further discussed below). In addition, the principals and certain supervised persons of CFWP will also be registered representatives of CFWP.

Registered Representatives of Broker Dealer

Certain of our Financial Advisors and other employees may be registered representatives of other broker-dealer firms.

In their separate capacities as registered representatives, these individuals can purchase and sell securities for advisory clients for separate and typical commissions or other compensation, and may also receive ongoing compensation in the form of 12b-1 fees from mutual funds purchased by clients.

Financial Advisors who are registered representatives will not receive commissions generated by securities transactions in Portfolio Management accounts, or in accounts managed by third party advisers. However, these persons may receive compensation for implementing recommendations in financial plans. This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all financial planning recommendations is solely at the discretion of the client.

Please see additional disclosures about brokerage practices in Item 12 of this Brochure.

Insurance Agents and Brokers

Certain of Financial Advisors and other employees may be agents and/or brokers for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Item 11. Code of Ethics

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees and supervised persons, including compliance with applicable federal securities laws.

Our firm and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our code also provides for oversight, enforcement, and recordkeeping provisions.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to tneff@cantor.com, or by calling us at (212) 915-1010.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm

complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- We have established procedures for the maintenance of all required books and records.
- All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
- Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to disciplinary action or termination.

Item 12. Brokerage Practices

Certain clients may provide us with written authority to determine the broker-dealer to use and thus the commission costs that will be charged to those clients for transactions. These clients can include limitations on this discretionary authority. Clients may amend these limitations at any time, in writing.

We intend to recommend financial institutions for clients to utilize for investment management accounts. We generally recommend that clients utilize the brokerage and clearing services of Fidelity Institutional

Wealth Services ("Fidelity") or Charles Schwab & Co., Inc. ("Schwab") for investment management accounts. Factors which we consider in recommending Fidelity, Schwab, and any other custodians, broker-dealers, banks or financial institutions ("Financial Institutions") to clients include their respective financial strength, reputation, execution, pricing, research and service. Financial Institutions enable us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by the Financial Institutions may be higher or lower than those charged by other financial institutions.

The commissions paid by clients comply with our duty to obtain "best execution." Clients may pay commissions that are higher than what another qualified financial institution might charge to effect the same transaction where we determine that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a financial institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. We seek competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Clients may direct us in writing to use a particular financial institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that financial institution, and we will not seek better execution services or prices from other financial institutions or be able to "batch" client transactions for execution through other financial institutions with orders for other accounts managed by us (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to our duty of best execution, we may decline a client's request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist us in our investment decision-making process. Such research generally will be used to service all of our clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because we do not have to produce or pay for the products or services.

We may receive from Fidelity and Schwab, without cost to us, computer software and related systems support, which allow us to better monitor client accounts maintained at those firms. We may receive the software and related support without cost because we render investment management services to clients that maintain assets at those firms. The software and support is not provided in connection with securities transactions of clients (i.e. not "soft dollars"). The software and related systems support may

benefit us, but not our clients directly.

Additionally, we may receive the following benefits from Fidelity and Schwab: educational conferences and events; technology, legal, compliance and business consulting; access to employee benefits providers, insurance providers and other consultants; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. Furthermore, Fidelity may pay third-party providers on our behalf for certain approved services (including research, technology, marketing and certain legal expenses) provided when certain investment adviser representatives join our firm.

The support provided by the Financial Institutions may benefit us, but not our clients directly. In fulfilling our duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that our receipt of economic benefits from a Financial Institution creates a conflict of interest since these benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar benefits.

We will block trades placed by a particular Financial Advisor where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. We do not coordinate block trading among Financial Advisors.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. We will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Our block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement or our firm's order allocation policy.
- 2) The Financial Advisor must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The Financial Advisor must reasonably believe that the order aggregation will benefit, and will enable us to seek best execution for each client participating in the aggregated order.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation.

However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) Our client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on our records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

Item 13. Review of Accounts

Portfolio Management

Reviews: While the underlying securities within Portfolio Management accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by the Financial Advisor in charge of the client's account. In addition, we periodically review each client account to ensure that assets are being managed in furtherance of that client's investment objectives and guidelines.

Reports: Clients will receive monthly statements from their broker-dealer. The client may negotiate with his or her Financial Advisor for additional reports.

In addition, the client will receive a quarterly report from the any appropriate TAMP showing the allocation of the assets in the account as well as the performance of the account during the previous quarter.

Selection and Monitoring of Third-Party Separate Account Managers

Reviews: Clients should refer to the Separate Account Manager's disclosure brochure for information regarding the nature and frequency of reviews provided by that Separate Account Manager.

We will review these accounts on a quarterly basis. These accounts are also reviewed by the Financial Advisor in charge of the client's account.

Reports: Clients will receive monthly statements from their broker-dealer. Clients should refer to the Separate Account Manager's disclosure brochure for information regarding the nature and frequency of reports provided by that Separate Account Manager.

We do not typically provide reports in addition to those provided by the Separate Account Manager selected to manage the client's assets.

Financial Advisor and Financial Planning Services

Reviews: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

Reports: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14. Client Referrals and Other Compensation

Client Referrals

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this disclosure brochure and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

Other Compensation

Certain of our Financial Advisors may be eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that we recommend.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Item 15. Custody

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, we directly debit advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have any other type of custody of client accounts.

Item 16. Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell;
- determine the amount of the security to buy or sell;
- determine when transactions are made;
- determine the financial institution to be used; and/or
- determine when to hire or fire Separate Account Managers.

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also amend such limitations by once again providing us with written instructions.

Item 17. Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive

responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

Item 18. Financial Information

Not applicable.

