

Cantor Futures Exchange, L.P.
Risk Disclosure Statement



As used in this Risk Disclosure Statement:

"You", "Your" and "Yourself" include you personally if you are applying for or holding a personal account and your Authorized Traders, if any, and, if you are using the Cantor Exchange or applying for an account on behalf of a company or organization, such company or organization and its Authorized Traders;

"Cantor Exchange" means Cantor Futures Exchange, L.P.;

"Cantor Clearinghouse" means Cantor Clearinghouse, L.P.; and

"We," "Us" or "Our" means, collectively, the Cantor Exchange and Cantor Clearinghouse.

THE RISK OF LOSS IN TRADING COMMODITY DIGITAL SWAPS OR FUTURES CONTRACTS CAN BE SUBSTANTIAL. YOU SHOULD, THEREFORE, CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR CIRCUMSTANCES AND FINANCIAL RESOURCES.

SPECIFICALLY, SWAPS TRANSACTIONS, LIKE OTHER FINANCIAL TRANSACTIONS, INVOLVE A VARIETY OF SIGNIFICANT RISKS. THE SPECIFIC RISKS PRESENTED BY A PARTICULAR SWAP TRANSACTION NECESSARILY DEPEND UPON THE TERMS OF THE TRANSACTION AND YOUR CIRCUMSTANCES. IN GENERAL, HOWEVER, ALL SWAPS TRANSACTIONS INVOLVE SOME COMBINATION OF MARKET RISK, CREDIT RISK, FUNDING RISK, AND OPERATIONAL RISK.

YOU SHOULD BE AWARE OF THE FOLLOWING POINTS.

We have summarized in this Risk Disclosure Statement the principal risks related to transactions in digital swaps, futures or binary options contracts and of trading on the Cantor Exchange. This Statement, however, cannot and does not address all of the material risks associated with transactions in these contracts and does not include all of the details related to the risks identified below. You must familiarize yourself with the particular contracts you intend to trade, the use of the Cantor Exchange, and the related risks, and you must conduct your own investigation and evaluation of such risks. You are solely responsible for evaluating the merits of participation in trading digital swaps, futures or binary options contracts on the Cantor Exchange and the appropriateness and adequacy of such contracts and the Cantor Exchange for you, given your circumstances, including your financial resources, your experience with trading, and your goals.

Trading in digital swaps, futures and binary options contracts is not suitable for everyone and can result in losses up to, and in some circumstances above, the entire amount you invest. You should only trade on the Cantor Exchange after you have carefully reviewed this Risk Disclosure Statement and are certain that you fully understand the risks associated with trading digital swaps, futures and binary options contracts.

Volatility. The prices of digital swaps, futures and binary options contracts and the resulting performance of positions in such contracts may be highly volatile and the short term trading of such contracts could therefore result in substantial losses.

Liquidity Risks. Although the Cantor Exchange may permit trading by professional market makers that stand ready to purchase or sell contracts on the Cantor Exchange, the Cantor Exchange does not ensure that such market makers are present in the market. As a result, there may not always be liquidity for all products traded on the Cantor Exchange and you may be unable to liquidate a position as quickly as you would like. It is also possible that no one will sell to you a contract that you wish to purchase or buy from you a position that you wish to liquidate. You may therefore be forced to hold a position until it expires and unable to hedge against losses arising from the position.

Credit Risks. All transactions in contracts executed through the Cantor Exchange will be cleared through Cantor Clearinghouse, an affiliate of the Cantor Exchange that is a wholly-owned subsidiary of Cantor Fitzgerald, L.P., and will interpose itself between the trading parties and assume the contract obligations of each party to the other. In this capacity, Cantor Clearinghouse will be responsible for the determination, collection and payment of all amounts of margin, and all final settlement payments, due from and to market participants. Accordingly, while market participants will not have direct exposure to the creditworthiness of other market participants, it is possible that, in the event of a default by a participant, the Cantor Clearinghouse will require the liquidation of open positions on the opposite side of the market. You will therefore continue to have indirect exposure to the creditworthiness of other participants.

Trading on Margin. Trading on margin can significantly increase the risk of trading digital swaps, futures and binary options contracts. It is possible to lose more than the funds you invest by trading on margin. A decline in the value of contracts purchased on margin may result in a margin call requiring that you deposit additional funds with Cantor Clearinghouse on short notice. If you are unable to meet any margin calls, you may be subject to forced liquidation of contracts from your account and you will not be entitled to choose which contracts are liquidated.



Conflicts of Interest. The Cantor Exchange and the Cantor Clearinghouse are each wholly-owned subsidiaries of Cantor Fitzgerald, L.P. ("Cantor"), which is engaged in a variety of financial services businesses, including but not limited to securities and futures brokerage and trading. In addition, Cantor or its affiliates provide and will continue to provide a variety of services to the Cantor Exchange and the Cantor Clearinghouse. These affiliations and services could present certain potential conflicts of interest.

Trading by Affiliates. One or more affiliates of Cantor Exchange and Cantor Clearinghouse may conduct transactions on Cantor Exchange for their own proprietary accounts. These affiliates are separate from Cantor Exchange. The positions taken by Cantor Exchange's affiliates may be opposite to the positions taken by You.

Risks Related to Trading Over the Internet. Certain risks are inherent in trading electronically over the internet. These include risks of computer, communications, or power systems failures or other malfunctions that may temporarily preclude access to the Cantor Exchange or Cantor Clearinghouse. Any time that you are for any reason unable to access the Cantor Exchange, you will not be able to place, modify, or cancel orders. Additionally, a catastrophic systems failure may disrupt your orders and the order queue on the Cantor Exchange. The liability of the Cantor Exchange and Cantor Clearinghouse for losses incurred in connection with such failures or malfunctions is limited under the Rules of each entity.

Access to Your Account. Only you and people identified by you as Authorized Traders may trade for your account. You are solely responsible for all trading by Authorized Traders for your account. Do not share your login user name and password with anyone, and ensure that any Authorized Traders do not share their login user name and password. Should someone attain unauthorized access to your login user name and password, and/or the login user name and password of one of your Authorized Traders, you will be responsible for any trades entered by that person for your account. You should therefore monitor the activity in your account closely and alert us immediately if you notice any unauthorized activity in your account or believe that an unauthorized person has gained access to your account.

Limitations of Trading Privileges. The Cantor Exchange may at any time suspend, revoke, limit, condition, restrict or qualify the trading privileges of any Market participants or their Authorized Traders if, in the sole discretion of the Board of Directors of the Cantor Exchange, such action is in the best interests of the Cantor Exchange. If your trading privileges are suspended, revoked, limited, conditioned, restricted or qualified Cantor Exchange may in some circumstances liquidate your positions, and you will not have the benefit of subsequent favorable market movements. Conversely, if your trading privileges are terminated, you might not be able to liquidate open positions and could be required to absorb losses on such positions.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF TRADING ON THE CANTOR EXCHANGE. BY USING THE CANTOR EXCHANGE AND ENTERING INTO TRANSACTIONS IN DIGITAL SWAPS, FUTURES OR BINARY OPTIONS CONTRACTS ON THE CANTOR EXCHANGE, YOU REPRESENT AND WARRANT THAT YOU HAVE EVALUATED THE MERITS AND RISKS OF YOUR USE OF THE CANTOR EXCHANGE AND HAVE DETERMINED THAT SUCH TRANSACTIONS ARE APPROPRIATE FOR YOU AND THAT YOU ARE CAPABLE OF ASSUMING, AND ARE PREPARED TO ASSUME, THE RISKS ASSOCIATED WITH SUCH TRANSACTIONS.