

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit ratings.

Cantor Fitzgerald, L.P. (security code: -)

<Affirmation>

Foreign Currency Long-term Issuer Rating:	BBB+
Outlook:	Stable
Local Currency Long-term Issuer Rating:	BBB+
Outlook:	Stable
Bonds:	BBB+

BGC Partners, Inc. (security code: -)

<Affirmation>

Foreign Currency Long-term Issuer Rating:	BBB+
Outlook:	Stable
Local Currency Long-term Issuer Rating:	BBB+
Outlook:	Stable
Bonds:	BBB+

NEWMARK GROUP, INC. (security code: -)

<Affirmation>

Foreign Currency Long-term Issuer Rating:	BBB+
Outlook:	Stable

Rationale

- (1) Cantor Fitzgerald, L.P. (CFLP) is primarily a financial services company organized as a private limited partnership headquartered in New York, United States. BGC Partners, Inc. (BGC) and NEWMARK GROUP, INC. (Newmark) are the subsidiaries of CFLP. BGC is an industry-leading global wholesale financial brokerage and Newmark is a full-service commercial real estate brokerage and services business focused on North America. Both are core companies of the group. JCR considers that since CFLP holds majority voting rights in its core subsidiaries, its credit rating is identical to the creditworthiness of the group, given its ability to control its subsidiaries. The creditworthiness of the group mainly reflects its prominent market position in the U.S., Europe and Asia, an agency financial brokerage business model focused on low risk assets and low leverage, a comparatively stable earnings capacity derived from commissions, and ample liquidity. On the other hand, the rating is constrained by its susceptibility to the market environment and high expense ratio. From these, JCR considers the creditworthiness of the group is equivalent to BBB+. CFLP holds majority voting rights of BGC and Newmark, respectively, and both greatly contribute to the group's revenues. Therefore, the credit ratings of BGC and Newmark are identical to the creditworthiness of the group. The group's revenues slightly declined in 2020 from the previous year on reduced commercial real estate brokerage commissions as lease and sales transactions suffered a setback due to the impact of the COVID-19 pandemic. However, JCR holds that the group's performance will be solid in 2021 as the real estate market will recover following resumption of economic activities brought by progress on vaccination.
- (2) The group was founded in 1945 by Bernie Cantor and John Fitzgerald. Today, it is one of the leading financial groups in the world. The group has three market segments: Capital Markets and Investment Banking, Wholesale Financial Brokerage and Real Estate Brokerage and Finance. Cantor Fitzgerald & Co. (CF&Co) is a regulated U.S. broker-dealer entity (and a wholly-owned private subsidiary of CFLP) that runs capital markets and investment banking business in the U.S. The group's Capital Markets & Investment Banking undertakes middle-market focused investment banking business specializing in healthcare and other sectors in addition to capital markets business such as distribution. It is one of the 24 primary dealers authorized to directly deal U.S. Treasury Bonds through the Federal Reserve Bank. BGC is engaged in Wholesale Financial

Brokerage and Newmark is engaged in Commercial Real Estate Services, including Brokerage and Finance. Both are listed on Nasdaq. After becoming a subsidiary of the group in 2004, BGC provides brokerage services for transactions of financial products between broker-dealers and financial institutions and offers an integrated voice and electronic liquidity pools. Fenics provides fully electronic brokerage, marketplaces, and data connectivity, software and post-trade services. BGC has a solid business base centering on the U.S. and the U.K. It announced the sale of its insurance brokerage business for USD 500 million in May 2021 and the sale proceeds will provide additional liquidity and capital to BGC, including the development of Fenics growth. Newmark has a prominent market position in Central and Eastern U.S., New York and California, providing a full suite of services for owners, investors and occupiers of commercial real estate. It also originates and distributes multifamily loans through Government Sponsored Enterprises programs of Fannie Mae and Freddie Mac. The group also holds highly specialized small yet diversified brands to strengthen its market position and business scale. It annually conducts over USD 300 trillion worth of financial transactions and has 200 offices and 12,500 employees in 30 countries.

- (3) Commissions generated by BGC and Newmark are the main source of revenues for the group which puts priority on brokerage. They respectively accounted for 35% and 36% of the group's revenues in 2020. The group's revenues from commercial real estate brokerage grew significantly after the acquisition of Newmark, making greater contributions to its profitability. In 2020, commissions from commercial real estate brokerage decreased due to the impact of the pandemic on reduced lease and sales transactions, and the group's revenues slightly underperformed that in the previous year. However, Newmark's revenues in the first quarter of 2021 recovered, growing 4.1% year-on-year. JCR holds that the group's performance will be solid in 2021 as the real estate market will recover following resumption of economic activities brought by progress on vaccination. The group's non-financial expenses are high relative to revenues, putting downward pressure on its profit. The current break-even point stays somewhat high. Therefore, BGC and Newmark took management actions to reduce the expenses from the beginning of the pandemic. Possible impacts on its profit from a reduced transaction volume caused by deteriorating market conditions need to be watched. However, JCR holds that the group will still be able to ensure a certain level of profit as it has been cementing stable earnings capacity through expansion of revenues.
- (4) At the end of 2020, the group's capital adequacy ratio stood at 9.3%, a bit lower as compared to peers rated by JCR, but its net leverage ratio was kept relatively low at 5.8 times. The group is mainly engaged in brokerage. Therefore, the volume of risk assets it holds is small and it conservatively controls its risks. The group holds a relatively low level of net debt and depends primarily on long-term bank loans and issuance of senior notes. Its liquidity is ample as it retains cash and deposits as well as undrawn credit facilities.

Atsushi Masuda, Hiroshi Tonegawa

Rating

Issuer: Cantor Fitzgerald, L.P.

<Affirmation>

Foreign Currency Long-term Issuer Rating: BBB+ Outlook: Stable

Local Currency Long-term Issuer Rating: BBB+ Outlook: Stable

Issue	Amount (mn)	Issue Date	Due Date	Coupon	Rating
\$600,000,000 4.875% Senior Notes due May 1, 2024	USD 600	Apr. 29, 2019	May 1, 2024	4.875%	BBB+
1.150% Senior Notes due 2023	JPY 10,000	April 21, 2021	April 21, 2023	1.150%	BBB+

Issuer: BGC Partners, Inc.

<Affirmation>

Foreign Currency Long-term Issuer Rating: BBB+ Outlook: Stable

Local Currency Long-term Issuer Rating: BBB+ Outlook: Stable

Issue	Amount (mn)	Issue Date	Due Date	Coupon	Rating
4.375% Senior Notes due 2025	USD 300	July 10, 2020	December 15, 2025	4.375%	BBB+

Issuer: NEWMARK GROUP, INC.

<Affirmation>

Foreign Currency Long-term Issuer Rating: BBB+

Outlook: Stable

Rating Assignment Date: June 7, 2021

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (November 7, 2014), "Securities" (May 8, 2014), "Real Estate" (July 13, 2011) and "Rating Methodology for Financial Groups' Holding Companies and Group Companies" (March 29, 2019) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

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INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	Cantor Fitzgerald, L.P. BGC Partners, Inc. NEWMARK GROUP, INC.
Rating Publication Date:	June 10, 2021

1 The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2 The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3 The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.
- A) Audited financial statements presented by the rating stakeholders
- B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

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Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

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Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset

quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

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Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

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The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Cantor Fitzgerald, L.P.	Issuer(Long-term)(FC)	November 19, 2018	BBB+	Stable
Cantor Fitzgerald, L.P.	Issuer(Long-term)(FC)	April 3, 2020	BBB+	Stable
Cantor Fitzgerald, L.P.	Issuer(Long-term)(LC)	June 3, 2020	BBB+	Stable
Cantor Fitzgerald, L.P.	\$600,000,000 4.875% Senior Notes due May 1, 2024	April 26, 2019	BBB+	
Cantor Fitzgerald, L.P.	\$600,000,000 4.875% Senior Notes due May 1, 2024	April 3, 2020	BBB+	
Cantor Fitzgerald, L.P.	1.150% Senior Notes due 2023	April 21, 2021	BBB+	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
BGC Partners, Inc.	Issuer(Long-term)(FC)	June 3, 2020	BBB+	Stable
BGC Partners, Inc.	Issuer(Long-term)(LC)	July 10, 2020	BBB+	Stable
BGC Partners, Inc.	4.375% Senior Notes due 2025	July 10, 2020	BBB+	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
NEWMARK GROUP, INC.	Issuer(Long-term)(FC)	June 3, 2020	BBB+	Stable

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Toshihiko Naito, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.



Toshihiko Naito
General Manager of International Rating Department

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