

FORM ADV – PART II (A) – FIRM BROCHURE

Item 1: Cover Page

FIRM BROCHURE

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NOTE:

This brochure provides information about the qualifications and business practices of ENDEX Capital Management (ENDEX). If you have any questions about the content of this brochure, please contact us at (913) 384-2720, or via email at astrumpf@demarche.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about ENDEX also is available on the SEC's website at www.adviserinfo.sec.gov. ENDEX is a registered investment adviser; however, that registration does not imply a certain level of skill or training, per SEC rules.

Item 2: Material Changes

There have been no material changes since the last annual update of March 31, 2011.

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Item 3: Table of Contents

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Item 4: Advisory Business and Principal Owners

ENDEX is a private, independently-owned investment advisory firm organized in 1997 in the State of Kansas as a Limited Liability Company. ENDEX is owned by four individuals, all of whom serve on the company's Board of Managers. Principal owners of ENDEX are Julie Marchesi, Christine Rudicile, Timothy Marchesi, and Jeffrey Hoffman.

Types of Advisory Services

One hundred percent of the business of ENDEX is to provide investment management services to institutions. ENDEX provides discretionary investment management services in portfolios of exchange-listed and over-the-counter equity securities. ENDEX tailors its advisory service to the specific needs of its clients. Clients may impose restrictions on investing in certain securities. ENDEX does not participate in wrap fee programs.

As of December 31, 2011 ENDEX provided investment management services to clients representing \$73, 889 (in thousands) on a discretionary basis. No client assets are managed on a non-discretionary basis.

Item 5: Fees and Compensation

ENDEX offers the following fee schedules:

<u>U.S. Large Cap Core Assets (millions)</u>	<u>Fee (BPs)</u>
\$0-\$50	30
Next \$50	20
Additional amounts over \$100	10
<u>U.S. High Return Assets (millions)</u>	<u>Fee (BPs)</u>
\$0-\$25	100
Additional amounts over \$25	80
<u>U.S. Small Cap Value Assets (millions)</u> (and/or U.S. Small Cap Growth Assets)	<u>Fee (BPs)</u>
\$0-\$25	75
Next \$25	60
Negotiable over \$50	
<u>U.S. Small Cap Core Assets (millions)</u>	<u>Fee (BPs)</u>
\$0-\$25	60
Next \$75	50
Negotiable over \$100	

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ENDEX has a limited number of “Foundation Clients.” The fee for these investment management services is 0.30% (30 basis points) per year on the first \$50 million of the asset value under management; 0.10% (10 basis points) per year on the next \$50 million of asset value under management; and 0.00% (0 basis points) per year on the balance over \$100 million.

ENDEX fees are in addition to fees for money market funds or investment company securities in which client funds may be invested. Clients will also incur brokerage and other transaction costs in connection with ENDEX’s service. Please see Item 12 (Brokerage Practices) of this brochure for more information on brokerage practices.

Clients are billed separately for fees incurred. Fees are not paid in advance for ENDEX’s services. Fees are based on the market value of the portfolio at the end of each calendar quarter and payable quarterly in arrears. Invoices are payable within 30 days.

Neither ENDEX nor any supervised person of ENDEX accepts compensation for the purchase or sale of securities or other investment products.

Generally, services may be terminated by either party upon 30 days written notice provided that such terminating party fulfills all of its obligations under any agreement through the date of such termination.

The minimum Large Cap Core investment is \$10,000,000. The minimum for other investment styles is \$5,000,000. Smaller initial investments may be considered on a case-by-case basis.

Item 6: Performance-based fees and Side-By-Side Management

ENDEX does not offer a performance-based fee arrangement or side-by-side management.

Item 7: Types of Clients

ENDEX provides its services to pension and profit sharing plans; trusts, estates or charitable organizations; educational institutions; and corporations or business entities. ENDEX does not provide investment advice or investment management services to individuals. The minimum Large Cap Core investment is \$10,000,000. The minimum for other investment styles is \$5,000,000. Smaller initial investments may be considered on a case-by-case basis.

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

Investing in securities involves risk of loss that clients should be prepared to bear. ENDEX provides discretionary investment management services in portfolios of exchange-listed and over-the-counter equity securities. ENDEX clients’ assets are typically diversified by company and sector. Material risks such as market risk, interest rate risk, default risk, liquidity risk, and inflation risk and loss of principal are discussed with each client prior to the relationship.

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ENDEX conducts 100% of its research in-house. ENDEX utilizes Standard & Poor's Research Insight Compustat North America database as a primary source of company-specific data on securities that are constituents of the S&P 500 Stock Index, as well as all other U.S. common stocks.

ENDEX believes that different factors drive performance in different markets. Patterns exist within market cycles that provide information about which investment styles and company attributes are likely to provide return leadership as the market phase progresses.

ENDEX is a proponent of Behavioral Finance, an area of study that bridges theoretical economic models and empirical data on investors' behaviors, which are driven by psychology. Investors tend to overreact to a stock's current return and typically believe that under- or over-performance will continue. Therefore, investors tend to drive the market to overvalue "growth" companies and undervalue "value" companies.

ENDEX research focuses on the identification of market inefficiencies, and builds tools to harvest alpha opportunities. Our process utilizes shifts in market phase, liquidity, and valuation conditions to emphasize different factors at different times. Our objective is to provide strong performance over a variety of market environments through nimble portfolio management.

ENDEX utilizes a quantitative investment process. ENDEX adjusts the portfolio at times of market condition change to align the holdings with those factors expected to contribute positive excess return.

ENDEX constructs the portfolio based on a multi-variate linear regression model and risk constraints. The model incorporates 55 factors that are ranked in terms of their historic specific payoffs. These factors are grouped into five classifications: growth potential factors, valuation factors, technical factors, risk factors and liquidity factors. Some of the growth potential factors include earnings growth, return on equity, asset turnover and profit margin. Some of the valuation factors include dividend yield, book to price and earnings yield. Technical factors considered include short, intermediate and long-term price history. Liquidity factors considered are trading volume and change in volume, share price and market capitalization. These factors are dynamically weighted in the ranking process based on a company's 12-month expected return and a market phase model.

ENDEX utilizes a market cycle model that identifies four market phases in an economic cycle and the companies that are most likely to outperform the market during each market phase, as a result of the expected return calculations produced by the multi-variate model.

The portfolio is constructed based on an optimizer that will focus on companies that are ranked the highest in terms of their expected return. The firm's risk constraints are overlaid during the construction process. Constraints for Large Cap Core portfolios, at the time of purchase include, a maximum individual position weighting of 7% of the portfolio, sector concentrations being limited to a maximum of plus or minus one percentage point versus the benchmark's sector weightings, and cash being limited to a maximum of 5% of the portfolio. Individual positions will also be limited to a relative maximum of 1.5 times a stock's weight

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in the benchmark, for any company. A relative minimum on individual positions, applied only to the largest 50 members of the benchmark, of 0.7 times a stock's weight in the benchmark, is also applied at the time of purchase. Other style strategies have similar constraints specific to the cap size and style objectives.

Holdings are allowed to fluctuate outside of the constraints applied at the time of purchase. Sector weightings may also vary beyond the limits imposed at construction. The investment team monitors the market phase and changes in liquidity and valuation on a monthly basis to identify appropriate times to re-optimize the entire portfolio, and tends to only rebalance one to three times per year. Individual securities that have ceased being members of the benchmark may be retained until the next portfolio rebalance.

ENDEX will rebalance the portfolio when the investment team has identified major changes in market conditions, such as changes in market phase, valuation levels of the broad market, or financial liquidity in the U.S. economy. ENDEX utilizes a systematic process for dynamically weighting its 55 factors based upon current observations of market phase, valuation, and liquidity. Expected returns for every U.S. stock are calculated monthly.

High Return strategies, however, are typically equal-weighted at the time of purchase, and are typically rebalanced quarterly.

ENDEX will not use any derivatives or leverage in its investment products.

Item 9: Disciplinary Information

There has been no regulatory authority investigation of ENDEX and there is no pending investigation.

Item 10: Other Financial Industry Activities or Affiliations

Some of ENDEX's management persons are registered as a broker/dealer or a registered representative of a broker/dealer, or have interests in affiliate businesses.

Affiliates of ENDEX include DeMarche Associates, Inc. (DeMarche), Kansas City Brokerage, Inc. (KCB) and Discretionary Management Services, LLC (DMS). A brief description and ownership of each affiliate is as follows:

DeMarche Associates, Inc.

DeMarche is an independently owned investment research and consulting firm and has been in business since 1975. The primary business of DeMarche is to furnish investment advice to institutional investors through consultations. Robert F. Marchesi currently owns a majority interest in DeMarche. Thomas Woolwine, William Miskell and Timothy Marchesi own a minority interest.

Through a facilities and services agreement with DeMarche, ENDEX receives certain back-office services such as accounting, programming/IT and compliance.

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Kansas City Brokerage, Inc.

DeMarche established KCB in 1993 as a subsidiary to accommodate those clients who choose to use third-party payer or directed brokerage services as a method of paying for investment consulting services. KCB is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA) as an introducing broker/dealer. All trade execution and clearing services are provided for its customers through a fully disclosed clearing arrangement that it has with BNY ConvergeEx. DeMarche currently owns a majority interest in KCB. Robert F. Marchesi owns a minority interest.

ENDEX does not allow clients to direct brokerage through KCB to pay for investment management services. DeMarche and KCB have a product and services agreement, but ENDEX does not direct trades to, or have any other arrangements with, KCB.

Discretionary Management Services, LLC

DMS, an affiliated investment advisory firm of DeMarche, was created in 2007 to provide discretionary investment management services to pension funds, foundations and endowment funds, corporate and operating funds and other pools of assets. DeMarche provides investment research, portfolio management, administrative support and compliance services to DMS through a facilities and services agreement. Messrs. Robert F. Marchesi, Tom Woolwine, and William Miskell, owners of DMS, also have an ownership interest in DeMarche.

Item 11: Conflicts of Interest and Code of Ethics

ENDEX maintains written policies and controls to minimize potential conflicts of interest and, it believes, covering a much broader area of control than called for by regulators. Controls include management oversight, internal policies and procedures, portfolio manager training, and both required and voluntary disclosure to clients. ENDEX policies address not only potential conflicts but also areas such as compensation, entertainment, conferences, etc.

ENDEX has adopted a Code of Ethics, a copy of which is available to any client or prospective client upon request. ENDEX has a strict policy on accepting gifts and entertainment from outside parties such as brokers and other vendors. All principals and employees are required by ENDEX to act according to its Code of Ethics and must affirm and acknowledge annually their understanding and agreement to comply with the Code. In addition, principals and employees are required to submit quarterly security transaction reports and annual securities holdings reports to ENDEX for compliance review and record retention. Failure to comply can result in termination of employment.

Item 12: Brokerage Practices

Broker(s) or dealer(s) used are selected based on factors which include, among other things, the reputation of the broker or dealer, quality of execution and price. The reasonableness of their commissions is determined based on comparison with industry averages for similar execution costs. The securities ENDEX trades for client accounts have liquid markets so the cost per share is fairly standardized.

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ENDEX does not receive research or other products or services in connection with client securities transactions. ENDEX does not receive client referrals from a broker/dealer or third-party for recommending broker/dealers. ENDEX does not recommend, request, or require that a client direct ENDEX to execute transactions through a specified broker-dealer.

Purchase and sale orders for client accounts are aggregated with the broker as needed.

Item 13: Review of Accounts

The Principals of ENDEX will be responsible for reviewing the performance of all accounts under management and for determining that every investment account is invested according to each client's guidelines and objectives. Quarterly reviews determine if the portfolios are invested in accordance with client guidelines, and that portfolios are performing in line with their investment style benchmarks.

The Chief Investment Officer of ENDEX will be responsible for ongoing research and maintenance of both the multi-variate model and the market phase model.

ENDEX provides to clients quarterly holdings and transactions statements which include all transactions and brokerage commissions paid. ENDEX will generally prepare performance reports in a form with the substance and at a frequency reasonably satisfactory to the client, and shall include comparison of the investment performance of the assets with recognized indexes.

Reviews with clients are done by ENDEX representatives, which could include the Principals, Chief Investment Officer and Portfolio Managers in person or via conference call.

Item 14: Client Referrals and Other Compensation

No one who is not a client provides an economic benefit to ENDEX for providing investment advice or other advisory service to clients.

ENDEX may from time to time directly compensate both affiliated and non-affiliated persons for referrals that lead to new clients. Such compensation will, however, not affect the fee paid by the client to ENDEX for its services. All such compensation arrangements will be disclosed in accordance with the Investment Advisors Act of 1940 and the rules thereunder.

Item 15: Custody

ENDEX does not have custody of client funds or securities. ENDEX urges clients to compare account statements they receive from their qualified custodian(s) and investment managers with any report they receive from ENDEX.

Item 16: Investment Discretion

ENDEX is authorized by its clients to determine without specific consent the securities and amounts of securities to be purchased or sold, subject only to client guidelines or restrictions placed by a particular client in a management agreement.

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ENDEX will also have the authority to determine without specific client consent the broker or dealer to be used and the commission rates paid, subject only to guidelines given or restrictions placed by a particular client in a management agreement.

Item 17: Voting Client Securities

ENDEX does not vote client securities. Clients will typically receive their proxies directly from their custodian.

Item 18: Financial Information

ENDEX typically does not provide financial information as a matter of policy, to respect the confidentiality and privacy of its owners and clients.

ENDEX does not require or solicit prepayment of client fees. ENDEX does not have custody of client funds or securities. ENDEX has not been the subject of a bankruptcy petition at any time and is not aware of any condition that is reasonably likely to impair its ability to meet contractual commitments to clients.