

Part 2A of Form ADV

Endurance Asset Management, LLC

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This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Endurance Asset Management, LLC (“**Endurance**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact us at 312-984-5866 or Charlene@endurancemgt.com. 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.

Endurance Asset Management is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Endurance Asset Management, LLC also is available on the SEC’s website at www.advisorinfo.sec.gov.

MATERIAL CHANGES

Endurance is required to disclose all material changes made to the Brochure since the last annual update.

There are no material changes to the Brochure filed on March 18, 2016.

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Advisory Business

Endurance Asset Management, LLC (“Endurance”) is a Delaware limited liability company that was formed in October 2003. Noel Moore is the principal owner of Endurance.

As explained more fully below, Endurance provides investment management services to the Endurance Fund (QP), LLC (the “**Fund**”), a pooled investment vehicle that is offered exclusively to qualified investors on a private placement basis. Additionally, Endurance reserves the right to provide investment management services to clients other than the Fund, including individuals, banks, thrift institutions, registered investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other entities (including additional private pooled investment vehicles).

Endurance does not currently tailor advisory services to the individual needs of Fund investors and Fund investors generally will not be able to impose restrictions on the Fund’s investments in certain securities or types of securities.

As of January 1, 2017, Endurance manages client assets of \$60.5 million on a discretionary basis.

Endurance Fund (QP), LLC

The Fund is a Delaware limited liability company whose investment objectives are to preserve investor capital and generate an attractive risk-adjusted rate of return having low correlation to the U.S. equity and fixed-income markets. Endurance is the Fund’s managing member and, in that capacity, has overall responsibility for managing and administering the business and affairs of the Fund and making investment and trading decisions for it.

Endurance operates the Fund as a multi-strategy, multi-manager “fund of funds” that allocates, and from time to time reallocates, its assets to the investment discretion of diverse group of portfolio management firms that employ a broad range of investment strategies and techniques (“**Sub-Managers**”). Endurance may commit the Fund’s assets to Sub-Managers by either investing in pooled investment vehicles (“**Sub-Funds**”) managed by the Sub-Managers or by entering into managed account (“**Managed Accounts**”) arrangements with Sub-Managers. To the extent the Fund’s assets are not used for these purposes, Endurance will invest them in high quality short-term instruments, such as U.S. government securities or shares of “money market” mutual funds that earn interest at competitive rates.

Interests in the Fund are offered in two classes (each, a “**Class**”) of limited liability company interests (“**Interests**”). “Class A” Interests pay a 1.0% annual management fee, paid monthly in arrears, with quarterly withdrawals (upon 70 calendar days’ notice) permitted after the completion of a one (1) year “lock up” period. “Class B” Interests pay a 0.5% annual management fee, paid monthly in arrears, and are subject to a three (3) year “lock up” period. Class B Interests will roll automatically from one three (3) year “lock up” period into the next three (3) year “lock up” period; however, the investor will be permitted to transfer at the end of the “lock up” period to a Class A Interest (with no additional “lock up” period). In addition, an investor holding a Class B Interest will have the ability to withdraw during the applicable “lock up” period, but will be subject to a 3.0% early withdrawal fee, payable to the Fund. Except with respect to the management fees paid and applicable “lock up” period, the rights and

liabilities of the investors are the same, regardless of whether an investor holds a Class A or Class B Interest.

Fees and Compensation

Endurance is compensated for advisory services to the Fund through a management fee (the **“Management Fee”**) and a special allocation of profits (the **“Incentive Allocation”**). Endurance deducts Management Fees and the Incentive Allocations from the relevant Fund. Management Fees are deducted monthly. Incentive fees are determined on an annual basis but accrue monthly for the purpose of reporting an investor’s net asset value (**“NAV”**).

For Class A Interests, the Fund ordinarily will debit from each capital account in the Fund, and pay to Endurance, the monthly Management Fee, in arrears, in an amount equal to 0.083% of the NAV of such capital account as of the end of each month (approximately 1% annually).

For Class B Interests, the Fund ordinarily will debit from each capital account in the Fund, and pay to Endurance, the monthly Management Fee, in arrears, in an amount equal to 0.04167% of the NAV of such capital account as of the end of each month (approximately 0.5% annually).

Endurance, in its discretion, may waive or reduce (by way of rebate or otherwise) any or all of the Management Fee in respect of any capital account, or agree to a Management Fee arrangement in respect of any capital account that differs from that described above.

Endurance also receives an Incentive Allocation equal to 10% of any positive difference between (1) the NAV of each capital account as of each Incentive Allocation Calculation Date (defined below) (determined prior to determining such Incentive Allocation, and prior to giving effect to any withdrawal from such account effected as of such Incentive Allocation Calculation Date, but subsequent to charging any Management Fee against such account as of such Incentive Allocation Calculation Date), less (2) the greater of the **“High Water Mark”** (defined below) for such account or the **“Hurdle Level”** (defined below) for such account for the period ending on such Incentive Allocation Calculation Date.

The **“Incentive Allocation Calculation Date”** is the end of each calendar year and any other date on which an investor receives a withdrawal or distribution from a capital account.

The **“High Water Mark”** for an account is the NAV of the account immediately after the assessment of the most recent Incentive Allocation (adjusted for any withdrawals from such account since such assessment) or, if the account has never been assessed an Incentive Allocation, the amount of the capital contribution that established such capital account (adjusted for any withdrawals from such account since such assessment).

The **“Hurdle Level”** for a capital account is equal to the sum of (1) the **“Adjusted NAV”** (defined below) of the capital account plus (2) the **“Hurdle Amount”** (defined below) for such capital account.

The **“Adjusted NAV”** of a capital account is equal to the NAV of the account as of the beginning of the relevant period adjusted to reflect withdrawals or distributions from the capital account during such period.

The “**Hurdle Amount**” is the product of (1) the Adjusted NAV of an account for the relevant period, times (2) the lesser of (i) 5% or (ii) the 90-day T-Bill rate as of January 1 of the relevant year, times (3) a fraction, the numerator of which is the number of days in the relevant period and the denominator of which is 365(6) (as applicable).

The determination of the Incentive Allocation is binding and conclusive on the Fund’s investors. Endurance, in its discretion, may waive any or all of the Incentive Allocation in respect of any capital account, or agree to an incentive allocation arrangement in respect of any capital account that is a substitute for that described above.

Fund investors will incur other types of fees and expenses, including transaction costs. The Fund’s direct operational costs and expenses are expected to consist primarily of: (i) Management Fees; (ii) costs and expenses incurred by Endurance in connection with investigating investment opportunities for the Fund (including Sub-Managers and pooled investment vehicles) and reviewing the continuing suitability of the Fund’s investments in light of the Fund’s investment objectives (including related travel, lodging and entertainment expenses and costs and expenses associated with obtaining systems, research and other information designed to facilitate portfolio selection or management such as statistics, pricing or quotation services and related hardware and software); (iii) administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses (including costs and expenses associated with obtaining systems and other information designed to facilitate Fund accounting or record-keeping, including related hardware and software); fees, costs and expenses of third-party service providers that provide such services (including fees, costs and expenses of attorneys retained by Endurance to represent Endurance in connection with the business and affairs of the Fund, to the extent such fees, costs and expenses relate to advice provided to Endurance by such attorneys with respect to such business and affairs); insurance costs and expenses; bank service fees; costs and expenses associated with preparing investor communications; and printing and mailing costs; and (iv) governmental licensing, filing and exemption fees. In addition, to the extent Endurance causes the Fund to open managed accounts with Sub-Managers, the Fund bears the expenses associated with the management of such accounts, including their administrative and transaction expenses and the management fees and incentive compensation charged by the Sub-Managers. To the extent the Fund invests in underlying pooled investment vehicles, it bears its allocable share of the costs and expenses of such vehicles, including their organizational, offering and operating costs and expenses and the management fees and incentive compensation payable to their Sub-Managers.

Clients do not pay fees in advance.

Endurance does not receive compensation for the sale of securities or other investment products.

Performance Based Fees

Endurance generally charges performance-based fees described above as Incentive Allocations.

Endurance’s performance-based fees depend on continuing increases in the Fund’s profitability. This creates an incentive for Endurance to allocate and reallocate the Fund’s assets in a manner that is riskier or more speculative than would otherwise be the case.

Endurance's performance-based fees are determined on the basis of the value of the Fund's assets, including value attributable to unrealized appreciation. Thus, incentive allocations may be made to Endurance based on positions that were profitable at the time such allocations were made but unprofitable when eventually liquidated.

Additionally, Endurance has incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. Endurance has policies in place to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Types of Clients

Endurance provides investment management services to private investment funds that it sponsors and may also provide investment advice to high net worth individuals, trusts, estates and charitable organizations.

The Fund is offered only by the delivery of its Confidential Private Placement Memorandum (the "Memorandum") to prospective investors who meet the relevant investor eligibility requirements. Please see the Memorandum for more information on the investor eligibility requirements for the Fund.

Additionally, the Fund is subject to a minimum investment amount. Endurance may raise or lower the minimum investment amount for the Fund and/or accept an initial capital contribution below the established minimum in its discretion. Please see the Memorandum for more information on the minimum investment amount for the Fund.

Methods of Analysis, Investment Strategies and Risk of Loss

Endurance operates the Fund as a multi-strategy, multi-manager "fund of funds" that allocates, and from time to time reallocates, its assets to the investment discretion of a diverse group of Sub-Managers that employ a broad range of investment strategies and techniques.

Endurance performs due diligence on Sub-Managers and evaluates each based on performance record, investment strategy or trading style, organizational depth and longevity, and other factors, both quantitative and qualitative. Investing in securities involves risk of loss.

Set forth below are descriptions of several types of investment strategies that Sub-Managers selected by Endurance may employ. These descriptions, however, are only examples of the types of strategies that Sub-Managers may employ on behalf of the Fund. Endurance is free to select any Sub-Manager if, in Endurance's judgment, the strategy or strategies employed by such Sub-Manager, whether considered singularly or in combination with the strategies employed by other Sub-Managers used by the Fund, are suited to achieving the Fund's investment objectives.

Relative Value Strategies

In general, relative value strategies seek to profit by exploiting pricing inefficiencies between securities (some related and some unrelated) while remaining neutral to directional price movements in any one market. Every relative value strategy consists of an exposure to some second order aspect of the market, such as implied volatility (or premium) in convertible bonds and warrants, the yield spread between similar term government bonds, the yield or swap spread between government and corporate bonds or the price spread between different classes of stock issued by the same company. The returns from these relative value strategies are derived from those second order risks. Relative value strategies include the following major sub-strategies:

Convertible Bonds and Warrants

Relative value hedging in convertible bonds and warrants primarily involves long positions in convertibles or warrants and short positions in the underlying stock in an effort to capitalize on relative pricing inefficiencies. Convertibles and warrants are priced as a function of the price of the underlying stock, expected future volatility of returns, risk free interest rates and, in the case of convertibles, the issue-specific corporate/government yield spread. In some cases, these instruments are not hedged directly with the underlying stock, but rather with an equity index.

Fixed Income

Relative value fixed income sub-strategies include a variety of arbitrage strategies that involve investments in fixed income instruments, weighted in an attempt to eliminate or reduce exposure to changes in the yield curve. These strategies attempt to exploit relative mispricings (*e.g.*, anomalous yield differences) between related sets of fixed income securities. The generic types of fixed income hedging trades include the following: yield curve arbitrage; corporate versus government yield spread; municipal bond versus government yield spreads; cash versus futures basis trades; and hedged asset-backed securities.

Equities

Relative value equity sub-strategies are long/short stock portfolios based on quantitative models for selecting specific stocks and measuring market exposure. Based on these models, high ranking securities are purchased and low ranking securities are sold short in relative quantities designed to result in an aggregate portfolio that is neutral to broad equity market movements. Often, these models rely upon fundamental balance sheet and income statement data such as: earnings yield; dividend yield; revisions in earnings forecasts; relationship between market capitalization, revenues and net asset values; earnings forecasts; and price histories. Other approaches utilize factor analysis to measure risk factors and relative attractiveness. Some managers focus on specific industry sectors whereas others attempt to balance exposure across sectors.

Multiple Strategies

This sub-strategy refers to Sub-Managers with the flexibility to invest in several relative value strategies, including convertible bond and warrant hedging, fixed income arbitrage, relative value equities, and other arbitrage strategies.

Global Opportunistic Strategies

Global opportunistic strategies seek to exploit opportunities in various global markets. The Sub-Managers who employ these strategies may use a wide variety of securities in implementing their investment programs. They may use leverage in varying amounts and may take positions that are directional. Also, they have the flexibility to shift the allocations of their portfolios quickly in response to changing market conditions and opportunities. Global opportunistic strategies include the following major sub-strategies:

Equities

The equity sub-strategy consists of investments in various developed countries in North America, Europe and Asia, as well as in selected emerging markets. The Sub-Managers who employ these strategies may use a combination of “top down” country allocations that reflect macro views as well as “bottom up” investments in specific companies. The Sub-Managers may be further classified as global or region-specific.

Fixed Income and Currencies

Global fixed income and global currency Sub-Managers invest primarily in the sovereign debt and currencies of developed and emerging market countries on a directional basis, reflecting their fundamental macro views.

Physical Commodities

Physical commodity Sub-Managers invest directly or indirectly in energy, precious and industrial metals and agricultural commodities. Investment styles include a combination of fundamental and technical analysis.

Global Macro

This sub-strategy refers to Sub-Managers with the broad mandate to invest in any opportunity they identify in debt, equities, foreign currencies and physical commodities in both developed and emerging markets globally.

Equity and Debt Strategies

The equity and debt strategy includes alternative investment strategies in the equity and fixed income markets, primarily in the United States. The strategies include the following major sub-strategies (which in many cases tend to rely upon a Sub-Manager’s “bottom up” fundamental research):

Event-Driven

The event-driven sub-strategy consists of a number of strategies that profit from the successful underwriting of particular events. This category includes risk arbitrage, distressed securities and bankruptcy investing, as well as event-related special situations investing (*e.g.*, stubs, spinoffs, liquidations), primarily in the U.S. Event-driven managers do not rely on market direction for results;

however, major market declines, which would cause transactions to be repriced, may have a negative impact on this sub-strategy.

U.S. Hedged Equities

This sub-strategy involves the purchase or sale of undervalued or overvalued stocks in U.S. equity markets. The Sub-Managers who employ this sub-strategy typically use a wide variety of investment styles. A number of Sub-Managers focus on small-cap stocks and deploy relatively small amounts of capital. Some hedged equity funds are “value” oriented, while others are “growth” oriented. In addition, some Sub-Managers may focus on a particular industry. These managers generally have the flexibility to vary the market exposure of their portfolios from net short to net long and may use varying amounts of leverage. Hedged equity managers use short selling of individual stocks as well as equity index futures and options to control market exposure.

Short Selling

Short selling Sub-Managers sell short equities based on fundamental analysis in an effort to profit from declining equity prices. Historically, this sub-strategy has been a better hedge against declining equity markets than taking short positions in a broad equity index (such as the S&P 500 Index). An allocation to short selling managers is typically utilized in multi-strategy portfolios as a hedge against the natural long bias of certain other strategies.

Managed Futures

This strategy involves investing in non-securities markets in an attempt to provide returns that are not correlated to the overall direction of the securities markets. Managed futures managers may invest in any futures or commodities contracts including, but not limited to, hard commodities, financial futures and precious metals.

Investment Methodology

On-site evaluations of Sub-Managers, industry and background reference checks and open and frequent dialogue with Sub-Managers are crucial components of the Sub-Manager selection and retention process. Endurance will terminate a particular Sub-Manager if, in Endurance’s judgment, the Sub-Manager’s performance is sub-par, if another Sub-Manager who pursues the same strategy has greater potential for producing profit for the Fund or if such Sub-Manager’s integrity and/or ability become questionable.

Endurance employs seasoned portfolio management techniques to identify proper risk/reward ratios and correlations when building and analyzing the Fund’s portfolio. Endurance constructs the Fund’s portfolio by taking into consideration underexposed areas in the markets that have high potential for future profits.

Endurance believes that the members of its Investment Committee constitute a management team suited to a mature business. Endurance expects to achieve robust results through diligent quantitative analysis, laying the groundwork for qualitative judgment and profitable portfolio construction.

The material risks related to these methods of analysis and investment strategies are as follows:

The risk factors listed below do not encompass all of the risks associated with an investment in the Fund. Please see the Memorandum for more information on the risks associated with an investment in the Fund. The primary risk factors associated with investing in the type of fund-of-funds offered by Endurance include the following:

Portfolio Concentration. Some Sub-Managers may have overlapping strategies or portfolios and thus could accumulate large positions in the same or related instruments at the same time. In many cases, however, Endurance will not be given access to information regarding the actual investments made by the Sub-Funds in which the Fund invests, as most Sub-Manager considered such information proprietary. As a result, Endurance ordinarily will be unable to ascertain the degree of the Fund's overall hedged or directional positions, or the extent of concentration risk or exposure to specific markets or strategies. Even if it were able to ascertain these matters, Endurance's ability to mitigate the associated risks would depend on its ability to reallocate capital among existing or new Sub-Managers. This might not be feasible for several months until withdrawals and contributions are permitted by the relevant Sub-Funds.

Use of Leverage. The investment strategies of the Sub-Managers may require the use of substantial leverage. Such leverage may be achieved through, among other methods, borrowing funds, purchases of securities on margin and the use of options, futures, forward contracts, repurchase and reverse repurchase agreements and swaps. The Fund may also borrow in its portfolio. The use of leverage magnifies the degree of risk as well as the opportunity for gain.

Use of Derivatives. A number of the Sub-Managers may use derivative instruments, including without limitation, option contracts, swap agreements and forward contracts, and derivative techniques, including without limitation, synthetic short sales, for various hedging and/or speculative purposes. The use of such instruments and techniques may result in leveraging the assets of a particular Sub-Fund or Managed Account, thereby exposing such Sub-Fund or Managed Account (and thus the Fund) to significant risks.

Short Selling. Some Sub-Managers may engage in selling securities short, which involves the sale of borrowed securities. The principal risk in selling a particular security short is that, contrary to the Sub-Manager's expectation, the price of the security will rise, resulting in a loss equal to the difference between the cost of acquiring the security (for return to the lender) and the net proceeds of the short sale. (This risk of loss is theoretically unlimited, since there is theoretically no limit on the price to which the security sold short may rise.) Another risk is that the short seller may be forced to unwind a short sale at a disadvantageous time for any number of reasons. For example, a lender may call back a stock at a time the market for such stock is illiquid or additional stock is not available to borrow. In addition, some traders may attempt to profit by making large purchases of a security that has been sold short. These traders hope that, by driving up the price of the security through their purchases, they will induce short sellers to seek to minimize their losses by buying the security in the open market for return to their lenders, thereby driving the price of the security even higher.

Trend Following. Some Sub-Managers may use computer pricing models to identify apparently overpriced or underpriced options in relationship to an assumed norm. In addition, analyses of price and other fluctuations over time may be relied upon which utilize charts and computers in order to discern and predict trends. Trading based on such analyses is subject to the risks that options premiums

will not increase or decrease as predicted by the analysis, or that trades dictated by the analysis may not be executed in time to take advantage of the price disparities. This latter risk is likely to materialize when numerous market makers use similar analyses, all of which dictate the desirability of executing identical or similar contracts. In the past, there have been periods without identifiable trends and, presumably, such periods will continue to occur. Trading models or analyses that depend upon the forecasting of trends will not be profitable if there are not identifiable trends of the kind that the models or analyses seek to follow. Any factor which would make it more difficult to execute trades in accordance with the models or analyses signals, such as a significant lessening of liquidity in a particular market, would also be detrimental to profitability.

Below "Investment Grade" Securities. Some Sub-Managers may invest in bonds or other fixed income securities, including "high yield" (and, therefore, high risk) debt securities. These securities may be below "investment grade" and are subject to uncertainties and exposure to adverse business, financial or market conditions which could lead to the issuer's inability to make timely interest and principal payments. The market values of these securities tend to be more sensitive to individual corporate developments and general economic conditions than do higher rated securities.

Distressed Investing. Sub-Managers may invest in securities and private claims and obligations of entities that are experiencing significant financial or business difficulties. The investing Sub-Fund may lose all or a substantial portion of its investment in such distressed companies or may be required to accept cash or securities with a market value of less than the initial investment. One of the risks of investing in distressed entities is the difficulty of obtaining information as to the true condition of such issuers. Distressed company investments may also be adversely affected by state and federal laws relating to fraudulent conveyances, voidable preferences, lender liability and a court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such securities are also subject to erratic changes and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected.

Replacement of Sub-Managers or Sub-Funds. Except as set forth in the Memorandum, the Fund is not restricted in appointing or replacing Sub-Managers or Sub-Funds. The Fund's investments with a particular Sub-Manager or Sub-Fund may be replaced for a variety of reasons, such as a more favorable investment opportunity or other circumstances bearing on the desirability of a continued position with such Sub-Manager or Sub-Fund. Replacement of Sub-Managers or Sub-Funds may involve greater fees, which will be borne directly by the Fund.

Trading in Non-U.S. Companies and Markets. Some Sub-Managers may invest in non-U.S. companies and/or trade in non-U.S. markets. Trading in the securities of non-U.S. companies involves certain considerations not usually associated with trading in securities of U.S. companies, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gains or other income; the small size of some markets in foreign countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to United States standards and, consequently, less information may be available to investors in companies located in

foreign countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the financial markets in foreign countries than there is in the United States. For example, some foreign exchanges, in contrast to domestic exchanges, are “principals’ markets” in which performance is the responsibility only of the individual member with whom the trader has entered into a contract and not of an exchange or clearing corporation. In such a case, an investor is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts.

Illiquid Investments. Despite the generally heavy volume of trading in most of the instruments traded by the Sub-Managers, the markets for some of those instruments may have limited liquidity and depth. This lack of depth could be a disadvantage to the Fund, both in the realization of the prices which are quoted and in the execution of orders at desired prices. In addition, a Sub-Fund may have the ability to suspend, gate or otherwise limit the Fund’s ability to withdraw or redeem, as applicable, from the Sub-Fund due to illiquidity of the Sub-Fund’s portfolio.

Sub-Manager Misconduct or Bad Judgment. The Fund ordinarily will not have custody or control over the assets they allocate to Sub-Funds. As a result, it will be difficult, and likely impossible, for Endurance to protect the Fund from the risk of Sub-Manager fraud, misrepresentation or simple bad judgment. Among other things, a Sub-Manager could divert or abscond with the assets allocated to it, fail to follow its stated investment strategy and restrictions, issue false reports or engage in other misconduct. This could result in serious losses to the Fund.

Wide Investment Discretion. The governing documents of the Sub-Funds in which the Fund invests typically will not impose significant restrictions on the manner in which the Sub-Managers of such funds may invest and trade for such funds, and often will permit the Sub-Managers to invest and trade in a broad range of securities and other financial instruments. As a result, the Sub-Managers may from time to time modify their investment strategies in response to changing market conditions, in some cases without notice to Endurance. Any such modification could involve changes in the types of securities and other instruments a Sub-Manager uses to implement its strategy, as well as changes in the markets in which such securities and other instruments trade. There can be no assurance that any such modification would be successful or not result in losses to the Fund.

Lack of Information Concerning Sub-Managers. Endurance may not learn of significant Sub-Manager structural events, such as personnel changes, major asset withdrawals/redemptions or substantial capital growth, until after the fact.

Sole Principal Sub-Managers. Some of the Sub-Managers to whom the Fund may allocate capital may consist of only one or a limited number of principals and key employees. If the services of any of such principals or employees became unavailable (for example, by reason of death, disability, severance or retirement), the Sub-Funds or Managed Accounts they manage, and thus the Fund, could sustain losses.

Competition. The Sub-Managers will engage in investment and trading activities that are highly competitive with other investment and trading programs, including those of mutual funds and other financial institutions, investment banks, broker/dealers, commercial banks, insurance companies and pension funds, as well as private investors, all of whom may have investment objectives similar to those of the Sub-Managers. These competitors may have substantially greater resources and substantially greater experience than the Sub-Managers.

New Managers. Some Sub-Managers may be new or relatively new ventures and have little or no operating history upon which their performance can be evaluated.

Risk of Litigation. A Sub-Manager might become involved in litigation as a result of investments made by a Sub-Fund or Managed Account it manages. Under such circumstances, such Sub-Fund and/or the Fund could be named as a defendant in a lawsuit or regulatory action.

Misuse of Confidential Information. In trading public securities, there are consequences for trading on insider information, and Endurance expects that Sub-Managers will use only public information. Sub-Managers may be charged with misuse of confidential information. If that were the case, the performance records of these Sub-Managers could be misleading. Furthermore, if a Sub-Manager or entity with which the Fund invests has engaged in the past or engages in the future in such misuse, the Fund could be exposed to losses.

Increase in Amount of Assets Under Management. The Fund may invest with Sub-Managers who are experiencing a major increase in the assets they manage. It is not known what effect, if any, an increase in the amount of assets under management will have on their trading strategies or investment results, but it could impair the ability of their strategies and operations to perform up to historical levels.

Other Clients of Sub-Managers. The Sub-Managers have responsibility for investing the funds allocated to them. The Sub-Managers may also manage other accounts (including other accounts in which the Sub-Managers may have an interest) and may have financial and other incentives to favor such accounts over the Fund. In investing on behalf of other clients, as well as the Fund, Sub-Managers must allocate their resources, as well as limited market opportunities. Doing so not only could increase the level of competition for the same trades that otherwise might be made for the Fund, including the priorities of order entry, but also could make it difficult or impossible to take or liquidate a particular position at a price indicated by a Sub-Manager's strategy.

Failure of Custodians. Financial institutions such as broker-dealers and banks will have custody of the assets of the Sub-Funds and the Fund, including their margin deposits. Often these assets will not be registered in the name of a Sub-Fund or the Fund. Financial difficulty, fraud or misrepresentation at one of these institutions could impair the operational capabilities or capital position of a Sub-Fund or the Fund.

Dependence on Endurance and Key Personnel. Endurance will make all investment decisions for the Fund. As a result, the success of the Fund will depend to a great extent on the investment skills of Endurance and its principals. The Fund could be adversely affected if, because of illness or other factors, their services were not available for any significant period of time.

Substantial Fees and Expenses. The Fund is subject to substantial fees, transaction costs and other costs and other expenses, regardless of whether it realizes any profits. Among other things, investors will bear management fees and incentive compensation. Further, as a "fund of funds," the Fund bears their allocable share of the costs and expenses of the Sub-Funds in which it invests (including its allocable share of the management and incentive compensation payable to the Sub-Managers). This may cause the Fund to have higher expenses than other investment funds, and the Fund will have to earn substantial profits to avoid depletion of its assets due to such costs and expenses.

Miscalculation of Fund NAV. A Sub-Manager may, after it has provided a Fund with a month-end or quarter-end NAV, later revise that determination, thus requiring the Fund to adjust the calculation of its own NAV for that period. This could result in the Fund's overpayment or underpayment of investors who withdrew from the Fund as of the end of the period, which could adversely affect remaining investors.

Sub-Funds' Limitations on Withdrawals. While Fund investors will have certain withdrawal rights as described in the Memorandum, the Sub-Funds in which the Fund invests may not permit withdrawals at the same intervals or on the same notice. In addition, the Sub-Funds may have the ability to suspend, gate or otherwise limit the Fund's right to liquidate its holdings. For this reason, Endurance has authority to restrict investors' withdrawal or redemption rights, on a pari passu basis among all investors in the Fund, if and to the extent that Fund is unable to obtain sufficient funds to honor withdrawal requests from the Fund by withdrawing from Sub-Funds, through borrowing or otherwise. Investors requesting withdrawal or redemption thus may experience delays.

Limited Regulation. The Fund is offering interests to investors pursuant to the exemption from registration under the Securities Act provided by Regulation D. Similarly, the Sub-Funds in which the Fund invests generally will be private and will not register their securities or investment operations under the Securities Act.

Investments Not Tax-Driven. A substantial portion of the Fund's income may constitute short-term capital gain or ordinary income in the form of dividends and interest, all of which are subject to income tax at the highest rate. Furthermore, Endurance's allocation and reallocation decisions will be based primarily on economic, and not tax, considerations. This could result, from time to time, in adverse tax consequences to investors.

There can be no assurance that the methods described above will be successful or that clients will not suffer losses. Investing in securities involves risk of loss that clients should be prepared to bear.

Disciplinary Information

Endurance is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of it or the integrity of its management. Endurance has no information applicable to this section.

Other Financial Industry Activities and Affiliations

No management persons of Endurance are registered representatives of a broker-dealer or registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Douglas Granat, a member of Endurance's investment committee, has material financial interest in the investment advisor of a sub-fund in which the Fund invests. This could create a conflict of interest

in the timing, amount and suitability of that investment for the Fund. Endurance addresses this conflict by requiring Mr. Granat to recuse himself from all decisions about the Fund's investment in this sub-fund. Mr. Granat may, however, provide an update on the performance, positioning and any other pertinent details of the investment in the sub-fund to assist in Endurance's ongoing due diligence process. There are no other relationships that management persons have with any related persons to disclose. Endurance does not receive compensation from any investment advisors.

Code of Ethics

Endurance or a related person of Endurance may invest in the same securities that are recommended to, or purchased, or sold for clients. Personal securities transactions by persons associated with Endurance are subject to Endurance's Code of Conduct and Regulatory Compliance Manual, which include its Code of Ethics (the "**Manual**"). The Manual includes various reporting, disclosure and approval requirements, described in summary below. Endurance designed these requirements to prevent or mitigate actual or potential conflicts of interest with clients. The Manual applies not only to transactions by the individual, but also to transactions for accounts in which such person has discretionary control over, such as accounts for the person's spouse, minor children or other dependents residing in the same household have an interest. Compliance with the Manual is a condition of employment with Endurance.

In accordance with Securities and Exchange Commission rules relating to recordkeeping by investment advisers, Endurance requires prompt reports of all Reportable Securities transactions. Endurance further requires that all brokerage account relationships be disclosed, that Endurance receive duplicate confirmations of transactions and custodial account statements, and annual certifications of compliance with the Manual from all access persons. Transactions in U.S. government securities, bank acceptances, bank certificates of deposit, commercial paper, high quality short-term instruments, including repurchase agreements, index-based futures/options, options/futures on treasury notes and bills or currency options/futures, shares of open-end mutual funds, exchange-traded funds and commodities are excluded from these reporting requirements.

The responsibilities of Endurance's Chief Compliance Officer (or designee) include overseeing the regular monitoring and verification of compliance of covered persons with the requirements of the Manual, and reporting material violations to Endurance's senior management. Covered transactions of the Chief Compliance Officer will be approved by another officer (or designee) of Endurance. In addition to reporting and recordkeeping requirements, the Manual imposes various substantive and procedural restrictions on Reportable Securities transactions. The Chief Compliance Officer also may recommend to management the imposition of more severe sanctions, including suspension of personal investing privileges, or termination of employment, in the case of certain types of violations.

Endurance may buy or sell for the Fund a Sub Fund that is managed by a member of Endurance's Investment Committee ("**IC**"). This IC member has a material financial interest in the investment advisor of the Sub-Fund. This could create a conflict of interest in the timing, amount and suitability of that investment for the Fund. Endurance avoids this conflict by requiring the IC member to recuse himself from all decisions about the Fund's investment in such Sub-Fund. The IC member may, however, provide

an update on the performance, positioning and any other pertinent details of the investment in the Sub-Fund to assist in Endurance's ongoing due diligence process.

Upon request, a copy of the Manual will be provided to any client or prospective client.

Brokerage Practices

To the extent the Fund trades securities directly (e.g., in a Managed Account), Endurance has full discretion to select brokers and dealers that execute the securities transactions on behalf of the Fund, and Endurance determines the brokerage commission rate paid by the Fund (to the extent the Fund directly trades in securities).

The rates paid by the Fund may not be the lowest rates the Fund could have obtained, but Endurance believes they will be competitive with rates paid by similar customers. Endurance selects the brokers based on various factors. The main factors are generally the broker's quality of execution, commission rates, market knowledge and financial condition. Endurance may also consider factors that benefit Endurance, such as the broker's referral of prospective Fund investors to Endurance.

The Sub-Managers also have full discretion to select brokers and dealers that execute the securities transactions on behalf of the Sub-Funds in which the Fund invests, and the Sub-Managers determine the brokerage commission rate paid by the Sub-Fund (and thus the Fund).

The Sub-Managers may have "soft dollar" arrangements with their brokers whereby the Sub-Managers receive benefits from the brokers for causing their private investment funds or managed accounts to maintain accounts with the brokers.

In the future, Endurance may receive certain "soft dollar" benefits from brokers that execute trades on behalf of the Fund. "Soft dollar" benefits may include the broker's agreement to pay certain expenses of Endurance, such as research services or quotation equipment. Endurance's receipt of such benefits may give it an incentive to select a broker that it would not otherwise use, but Endurance intends to use only those brokers that provide the Fund with high-quality services and competitive commission rates. Endurance does not presently, nor does it intend to, receive "soft dollar" benefits.

Review of Accounts

The Fund is reviewed no less than weekly by a portfolio manager for compliance with Endurance's risk management standards and the continued suitability of existing positions. A major market event would also trigger a review.

An independent administrator for the Fund provides monthly reports to each investor reflecting the estimated NAV of such investor's capital account(s). Endurance provides investors an audited balance sheet of the Fund as of the end of the year and audited statements of income and changes in

financial position of the Fund for such year. In addition, Endurance provides each investor with such tax information and schedules as are necessary to enable such investor to prepare its federal income tax return.

Client Referrals and Other Compensation

Endurance does not have any arrangements where it is paid cash by or receives an economic benefit from a non-client in connection with giving advice to clients.

Endurance does not currently but may in the future engage one or more placement agents to assist it in marketing Interests. The placement agents will generally be paid for the introduction out of the fees Endurance receives from the Fund. If Interests are acquired through a placement agent retained by Endurance, it should not be viewed as any recommendation of such agent as being disinterested, as the agent will generally be paid for the introduction out of the fees Endurance receives from the Fund. Also such placement agent should be regarded as having an incentive to recommend that investors remain investors in the Fund, since the agent will generally be paid a portion of Endurance's fees for all periods during which such investors remain investors in the Fund. Endurance does not have any such arrangements with placement agents, but if Endurance changes this policy, it will file an amended ADV Part 2 and notify affected investors.

Endurance does not currently directly or indirectly compensate any person for client referrals.

Custody

As managing member of the Fund, Endurance will generally be deemed to have custody of client assets under the applicable rules of the Investment Advisers Act of 1940 (the "**Advisers Act**") (despite the fact that Endurance will never have actual physical custody of such assets). Endurance will generally comply with the Advisers Act custody rules by delivering audited financial statements for the Fund to investors within 180 days after the end of the Fund's fiscal year.

In addition, Fund investors will receive monthly statements from the Fund's third-party administrator.

Investment Discretion

Endurance has full discretionary authority over the allocation and reallocation decisions for the Fund, subject only to the restrictions (if any) described in the Memorandum.

Voting Client Securities

The Fund is a fund-of-funds and does not generally vote on company proxies. To the extent that Endurance is asked to vote proxies, it will do so in the best interest of the Fund, pursuant to Endurance's Proxy Policy. Upon request, a copy of Endurance's Proxy Policy will be provided to any client or prospective client. Clients may also obtain information from Endurance about how Endurance voted any proxies on their behalf.

Financial Information

Endurance is required in this section to provide you with certain financial information or disclosures about its financial condition. Endurance has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.