



GLADIUS CAPITAL MANAGEMENT LP

77 West Wacker Drive, Suite 3220

Chicago, Illinois 60601

Phone: 312-348-5900

Contact

Eric S. Magac

Chief Operating Officer & Chief Compliance Officer

PART 2A OF FORM ADV FIRM BROCHURE

April 29, 2015

This brochure provides information about the qualifications and business practices of GLADIUS CAPITAL MANAGEMENT LP ("Gladius" or "Adviser"). If you have any questions about the contents of this brochure, please contact us at 312-348-5900 or info@gladiusinvgroup.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.

GLADIUS CAPITAL MANAGEMENT LP is registered as an investment adviser with the SEC. Registration does not imply a certain level of skill or training.

Additional information about GLADIUS CAPITAL MANAGEMENT LP also is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number and SEC number for GLADIUS CAPITAL MANAGEMENT LP are 152023 and 801-70841, respectively.



Item 2 – Material Changes

Please see Exhibit A attached hereto for a summary of material changes, if any, since the last update of this firm brochure dated March 26, 2015.

Item 3 – Table of Contents

Item 2 – Material Changes.....	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	5
Item 6 – Performance-Based Fees and Side-By-Side Management.....	7
Item 7 – Types of Clients	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 – Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations	10
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Item 12 – Brokerage Practices.....	11
Item 13 – Review of Accounts	12
Item 14 – Client Referrals and Other Compensation	13
Item 15 – Custody	13
Item 16 – Investment Discretion	13
Item 17 – Voting Client Securities	14
Item 18 – Financial Information	15
Privacy Policy	16
Exhibit A – Material Changes	19

Item 4 – Advisory Business

A. The Advisory Firm and its Owners

Gladius Capital Management LP (“Gladius” or “Adviser”) provides investment management services on a discretionary basis to private investment vehicles. Gladius commenced operations on September 1, 2009. The Adviser’s founder and principal owner is Pavandeep (“Pav”) Sethi, Chief Executive Officer and Chief Investment Officer.

B. Advisory Services

Gladius provides discretionary investment management services to private collective investment vehicles including, without limitation, Gladius Arx Fund LLC (the “Arx Fund”) (the Arx Fund and each other private collective investment vehicle to which Gladius provides discretionary investment management services are each a “Fund” and together the “Funds”).

The Arx Fund has the ability to utilize a master-feeder structure whereby each of an Onshore Fund and an Offshore Fund would invest substantially all capital in a Master Fund. In such a structure the Adviser would make all investment and trading decisions on behalf of the Master Fund pursuant to the applicable investment management agreements.

Gladius advises additional private collective investment vehicles according to the investment objectives specified in the pertinent investment management agreements.

C. Investment Guidelines

There are no material limitations on the instruments, strategies, markets or countries in which the Arx Fund may invest.



Gladius advises other private investment funds according to the investment objectives specified in the pertinent investment management agreements.

D. Wrap Fee Programs

Not Applicable. Gladius does not currently participate in wrap fee programs by providing portfolio management services.

E. Assets Under Management

Gladius manages USD 1,679,928,127 of gross client assets on a discretionary basis calculated as of March 31, 2015.

Item 5 – Fees and Compensation

A. Arx Fund

i. Management Fees

The Arx Fund pays to the Adviser a monthly management fee in arrears based on the end of the month gross asset value of each capital account and as provided in the Arx Fund offering documents. Management fees are calculated and deducted from client accounts monthly.

The Adviser may waive or rebate all or a portion of the management fee due. Certain investors that are members, partners, affiliates or employees of Gladius, members of the immediate families of such persons and trusts or other entities for their benefit are eligible for and may pay reduced management fees.

ii. Incentive Allocations

The Arx Fund allocates to the Adviser a share of the appreciation, if any, attributable to each capital account subject to a traditional “high water



mark” as more fully described in the Arx Fund offering documents. Profit allocations are generally, but not necessarily finally, determined as of each December 31 and upon withdrawals, transfers, distributions and conversions (with respect to the amounts withdrawn, transferred, distributed or converted, as applicable) as more fully set forth in the Arx Fund offering documents.

The Adviser may waive or rebate all or a portion of the incentive allocation due. Certain investors that are members, partners, affiliates or employees of Gladius, members of the immediate families of such persons and trusts or other entities for their benefit are eligible for and make reduced profit allocations.

All performance-based compensation received by the Adviser or will comply with Rule 205-3 under the Investment Advisers Act of 1940 (the “Advisers Act”).

iii. Other

In addition to the Adviser’s fees and allocations, unless and to the extent otherwise specified in the relevant Arx Fund’s private placement memorandum, investors bear indirectly certain fees and expenses charged to the Fund. The Arx Fund will pay all expenses incurred in connection with the Fund’s trading, operations and administration. Such expenses include, without limitation, the following: legal and compliance fees and expenses; audit and accounting fees; insurance costs and expenses; administrative, custodial and transaction fees; costs and commissions paid to custodians, broker-dealers and other third parties; and investment and research-related expenses. Please refer to Item 12 (Brokerage Practices) for additional information regarding the brokerage and transaction costs clients will incur.

B. Other Private Investment Vehicles

Fees for other private investment vehicles are as set forth in the pertinent investment management agreements or offering documents, as applicable. Unless and to the extent otherwise specified in the pertinent investment management agreements or offering documents, as applicable, investors in a Fund bear indirectly certain fees and expenses charged to the Fund including all expenses incurred in connection with the Fund's trading, operations and administration. Such expenses include, without limitation, the following: legal and compliance fees and expenses; audit and accounting fees; insurance costs and expenses; administrative, custodial and transaction fees; costs and commissions paid to custodians, broker-dealers and other third parties; and investment and research-related expenses. Please refer to Item 12 (Brokerage Practices) for additional information regarding the brokerage and transaction costs clients will incur.

Item 6 – Performance-Based Fees and Side-By-Side Management

The Adviser of the Arx Fund receives performance-based compensation from qualified clients. The Adviser also advises additional accounts that are charged a flat fee and rate based on assets under management. All performance-based compensation received by the Adviser will comply with Rule 205-3 under the Advisers Act.

Incentive allocations are calculated on the basis of unrealized, as well as realized, gains and losses. As a result, incentive allocations could be made in respect of unrealized gains that may never be realized. The fact that the Adviser, is eligible to receive incentive allocations from the Arx Fund may create an incentive for the Adviser to make investments on behalf of the Arx Fund that are riskier or more speculative than would be the case in the absence of such an arrangement.



Performance-based fee arrangements also create an incentive to favor higher fee paying clients over others in the allocation of investment opportunities. The Adviser has designed and implemented policies and procedures to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

A. The Firm's Clients

Gladius provides investment advice to the Arx Fund and private pooled investment vehicles.

B. Minimum Initial Investment

The minimum initial investment the Arx Fund is \$1 million. Gladius may reduce or waive the stated minimum at its discretion. Minimum initial investment for other private investment vehicles managed by Gladius is either separately negotiated or set forth in the pertinent investment management agreements or offering documents, as applicable.

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

A. Methods of Analysis and Investment Strategies

The Adviser employs multiple investment strategies using a wide array of instruments in an attempt to profit from changes in the prices of capital market variables. The Adviser attempts to locate mispriced instruments then transacts in them in an effort to capture gains from their subsequent revaluation.

The Adviser's research processes are broad and comprehensive. Extensive and rigorous modeling of securities and highly sophisticated risk assessment techniques provide a framework for evaluating investment opportunities which are sourced from a global opportunity set.

B. Material Risks

Interests in the Funds managed by Gladius are a speculative and illiquid investment. Investors must be prepared to lose all or substantially all of their investment in a fund or account managed or advised by Gladius. There are no material limitations on the strategies, instruments, markets or countries in which the Adviser may invest. Material risks associated with the Adviser's investment strategy include, without limitation, unanticipated directional price movements, inaccurate or incomplete market information, unexpected fundamental or other dominant factors and potential market disruptions.

In addition to the risks associated with the Adviser's trading strategies, the risks associated with an investment in a Fund include: (1) market risk; (2) credit risk; (3) systemic risk; (4) portfolio concentration risk; (5) unexpected liquidity risk; (6) operational risk; (7) settlement risk; (8) legal risk; and (9) documentation risk.

This summary of material risks does not purport to be complete. Please refer to the confidential offering memorandum and other disclosure documents of a Fund for a more detailed explanation of the material risks of the investment strategies and methods of analysis which are or may be used by the Adviser in managing the assets of such Fund.

Item 9 – Disciplinary Information

Not Applicable. Gladius does not have any disciplinary information to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Adviser is registered as a Commodity Pool Operator with the National Futures Association/Commodity Futures Trading Commission. From time to time, the Adviser, as pertinent, may also permit certain Fund investors (including, but not limited to, the Adviser and its affiliates and their employees and their families) to acquire interests in the managed Funds on different economic terms than other investors, provided that doing so does not have a material adverse effect on such other investors.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Adviser's Code of Ethics

The Adviser has adopted a Code of Ethics which sets forth standards of ethical and business conduct expected of the Adviser's personnel and addresses conflicts that may arise from personal trading by the Adviser's personnel. The Adviser's Code of Ethics, among other things, requires compliance with the federal securities laws, reflects the Adviser's fiduciary responsibilities and those of its advisory personnel, prohibits certain personal securities transactions, requires the Adviser's personnel to periodically report their personal securities transactions and to pre-clear certain securities transactions and addresses prevention of the misuse of material nonpublic information.

The Adviser's Code of Ethics will be provided to any client or prospective client upon request.

B. Personal Securities Transaction Policy

Personnel of the Adviser and its affiliates ("Adviser Personnel") may, subject to the Adviser's Personal Securities Transaction Policy, buy and sell securities for their own accounts. The Adviser has established internal policies and



procedures designed to ensure that the personal trading of Adviser Personnel in no way disadvantages client accounts and that Adviser Personnel in no respect misappropriate any benefit properly belonging to any Adviser client. The Adviser's Personal Securities Transaction Policy is contained in the Adviser's Code of Ethics and is available to any client or prospective client upon request.

Item 12 – Brokerage Practices

A. Factors the Firm Considers in Selecting a Broker-Dealer

In selecting broker-dealers to effect portfolio transactions with or for its clients (including each Fund), the Adviser will use its reasonable efforts to obtain best price and execution and will take into account such relevant factors as (i) price, (ii) the broker-dealer's facilities, reliability and financial responsibility, (iii) the ability of the broker-dealer to effect securities transactions, particularly with regard to such aspects as timing, order size and execution of orders, (iv) the research, brokerage and other services provided by such broker-dealer to Gladius and (v) ancillary services such as capital introduction. Accordingly, Gladius may cause a client to pay a broker-dealer that provides brokerage or research services (either directly or through third-party relationships) an amount of commission or transaction cost in excess of that which another broker-dealer would have charged, if Gladius determines in good faith that such commission or transaction cost is reasonable in relation to the value of brokerage, research or other services provided. Gladius periodically reviews its relationships with broker-dealers and the effectiveness of its efforts to obtain best price and execution. The Adviser is not committed to continue its broker relationship with custodians for any minimum period and may enter into broker relationships with other brokers at any time.

B. Soft Dollars



The Adviser currently has no soft dollar arrangements. However, the Adviser may use full-service broker-dealers and may on occasion receive and use research provided by these full service broker-dealers.

C. Aggregation

Gladius may aggregate sales and purchase orders of securities for orders being made simultaneously for more than one account managed by Gladius. In accounting for such aggregated order, price, commission and other expenses shall be averaged on a per transaction basis.

Item 13 – Review of Accounts

A. Account Reviews

The portfolio managers for each client are primarily responsible for ensuring that the securities or other financial instruments held by a client are consistent with, as pertinent, the disclosures set forth in the relevant offering documents and/or the client's investment advisory agreement. In addition, the portfolio managers for each client along with the Adviser's Chief Investment Officer review the client's portfolio holdings to determine that the securities and other financial instruments held by each client remain consistent with the pertinent private placement memorandum and/or investment advisory agreement and will generally review each client's performance on an ongoing basis.

B. Account Reports

Investors in the Arx Fund receive audited annual financial statements and necessary U.S. federal tax information. Such investors also receive periodic unaudited performance information on a monthly basis. Monthly reports include details of the increase or decrease in the net asset value of the investor's capital account during the preceding month as well as such other information as the Adviser may deem appropriate. The Adviser uses commercially reasonable



efforts to send to each Fund investor weekly estimates of the Fund's overall performance.

Investors in other private investment vehicles managed by Gladius receive reports as agreed upon in the pertinent investment management agreements or offering documents. Such clients may receive greater transparency, including but not limited to information regarding transaction activity and position level detail.

Item 14 – Client Referrals and Other Compensation

Not Applicable. Adviser is not provided by any person who is not a client with any economic benefit for providing investment advice or other advisory services to clients. Neither the Adviser nor any of its related persons directly or indirectly compensates any person who is not a supervised person of the Adviser for client referrals.

Item 15 – Custody

Clients receive at least quarterly statements from the broker-dealer, bank, or other qualified custodian that holds and maintains client's investment assets. Gladius urges clients to carefully review such statements and compare such official custodial records to the account statements provided by the Adviser. Adviser's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16 – Investment Discretion

The Adviser generally has discretionary authority to determine, without obtaining specific client consent, securities to be bought or sold, the amount of securities to be bought or sold, the broker-dealer to be used and the commission rates to be paid.

Any limitations on authority are set forth in the client's investment advisory agreement.

All investment and trading decisions on behalf of the Arx Fund (and, if pertinent in the future, directly on behalf of a feeder fund), including the selection of broker-dealers and the determination of commission rates, will be made by Gladius.

Item 17 – Voting Client Securities

Rule 206(4)-6

Rule 206(4)-6 under the Advisers Act requires every investment adviser to adopt and implement written policies and procedures reasonably designed to ensure that the adviser votes proxies in the best interests of its clients. The rule further requires the adviser to provide a concise summary of the adviser's proxy voting process and offer to provide copies of the complete proxy voting policy and procedures to clients upon request. Lastly, the rule requires that the adviser disclose to clients how they may obtain information on how the adviser voted their proxies.

Policy Statement and Voting of Proxies

The Adviser's proxy voting policies and procedures apply to the Adviser and all funds and other client accounts for which the Adviser is responsible for voting proxies. To the extent that the Adviser receives such proxies, the Adviser is guided by general fiduciary principles. Adviser's goal is to act prudently, solely in the best interest of the beneficial owners of the accounts it manages. Adviser attempts to consider all aspects of its vote that could affect the value of the investment; and where Adviser votes proxies, it will do so in the manner that it believes will be consistent with efforts to maximize the value of clients' portfolios. Adviser, on occasion, may determine to abstain from voting a proxy or a specific proxy item when it concludes that the potential benefit of voting is outweighed by the cost or when it is not in the client's best interest to vote. When a client has authorized



Adviser to vote proxies on its behalf, Adviser will generally not accept instructions from the client regarding how to vote proxies.

Conflicts of Interest

In furtherance of Adviser's goal to vote proxies in the best interests of clients, Adviser follows procedures designed to identify and address material conflicts that may arise between Adviser's interests and those of its clients before voting proxies on behalf of such clients. If it is determined that any such conflict or potential conflict is not material, the Adviser may vote proxies notwithstanding the conflict or potential conflict. If, however, it is determined that a conflict or potential conflict is material, the Chief Compliance Officer will work with appropriate personnel to agree upon a method to resolve such conflict before voting proxies affected by the conflict. The Adviser will maintain a written record of the method used to resolve a material conflict of interest.

Additional Information

Copies of the Adviser's complete proxy voting policy and procedures are available upon request. Clients may also obtain information about how the Adviser voted their securities by contacting the Adviser's Chief Operating Officer & Chief Compliance Officer, Eric S. Magac, at 312-348-5900.

Item 18 – Financial Information

Registered investment advisers are required by this Item to provide certain financial information and disclosures pertaining to the adviser's financial condition. Gladius Capital Management LP 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.

Privacy Policy

Gladius Capital Management LP (“Gladius” or “Adviser”), the private investment funds that the Adviser advises (the “Funds”) and the general partners and/or managers of the Funds (the “General Partners”) consider privacy to be fundamental to investor relationships and adhere to the policies and practices described below to protect current and former investors’ nonpublic personal information.

The Adviser generally does not disclose “nonpublic personal information” about Clients or Fund Investors to third parties, other than service providers who need access to that information in order to permit the Client and Adviser to conduct their affairs (e.g., auditors, accountants, prime brokers and attorneys). Such “nonpublic personal information” is obtained from Fund subscription agreements or managed account agreements, transactions with Funds and accounts (such as additional investments and withdrawals) and other sources. Adviser restricts access to such information internally to those personnel (and the personnel of affiliates) who need the information in order to conduct Adviser’s business. Such information also may be disclosed when a Client or Fund Investor specifically authorizes the disclosure and for other purposes required or permitted by law, such as where reasonably necessary to prevent fraud or unauthorized transactions, respond to judicial process or subpoena or comply with federal, state or local laws.

Prospective Clients and Fund Investors must indicate their understanding in a managed account advisory agreement or Fund subscription agreement, as pertinent, that although Adviser will use its best reasonable efforts to keep Clients’ and Fund Investors’ investments and the information Clients and Fund Investors provide to Adviser confidential, (1) there may be circumstances in which applicable law or regulation relating to combating terrorism or money laundering may require the release of information provided to Adviser to law enforcement or regulatory officials, (2) Adviser may present completed subscription agreements or Client documents and/or any information included therein to any service providers of

Adviser, the Fund or managed account or to such regulatory bodies or other parties as may be appropriate to establish the availability of exemptions from certain securities and similar laws or the compliance of the Client, its directors, if any, and/or Adviser with applicable laws, (3) Adviser may disclose such completed subscription agreement and managed account agreements, any information included therein or other information relating to a Client's or Fund Investor's accounts or investments when required by judicial process or, to the extent permitted under applicable privacy laws, to the extent Adviser considers that information relevant to any issue in any action, suit or proceeding to which Adviser is a party or by which it is or may be bound and (4) where such disclosure is required by any law or order of any court or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or governmental or regulatory or taxation authority. Any Client that instructs Adviser to send duplicate reports to any third party may revoke such instructions at any time by sending a written notice to Adviser indicating that a previously authorized third party is no longer authorized to receive such reports.

Adviser obtains contractual assurances from third-party service providers to protect the confidentiality of Clients' and Fund Investors' nonpublic personal information when it is appropriate to do so and takes reasonable measures to verify that such third parties maintain safeguards designed to provide reasonable protection for the confidentiality of Clients' and Fund Investors' nonpublic personal information.

Adviser has implemented an information security plan, which includes policies and procedures reasonably designed to safeguard the security and confidentiality of personal information, protect against any anticipated threats to the security of such information and guard against unauthorized access to or use of such information.

Pursuant to SEC Regulation S-P, the Adviser shall disclose the policies described herein in the Adviser's Privacy Notice, to be delivered to each Investor that is a



natural person at the time such Investor makes his or her first investment in a Fund and on an annual basis thereafter.



Exhibit A – Material Changes

Since the last update dated March 26, 2015, there have been no material changes to this brochure.