

Vida Capital Management, LLC

Part 2A of Form ADV

The Brochure

805 Las Cimas Parkway, Suite 230
Austin, TX 78746
www.vidacapitalinc.com

Updated: March 2013

This brochure provides information about the qualifications and business practices of Vida Capital Management, LLC (“VCM”). If you have any questions about the contents of this brochure, please contact us at 512-961-8265. 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.

Additional information about VCM is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

This brochure contains information about VCM and there have been material changes since its last update in March 2012. VCM replaced its former information technology vendor, Mission IT, with a new vendor, GCS Technologies, Inc. The operations of VCM's affiliated adviser, FGMS, started to become integrated with the operations of a new affiliated adviser, Ovation.

FGMS/Ovation and VCM are under common control, share a principal office and place of business, and were subject to the same compliance program. Effective December 1, 2012 VCM discontinued its supervision of FGMS/Ovation and FGMS/Ovation filed with the SEC as an Exempt Reporting Adviser. VCM became the general partner of Vida Management III, LLC, which is the general partner of Vida Side Pocket I, LP and was formed in September 2012. Effective December 31, 2012, the general partner to Vida Longevity Fund, LP approved the fourth amended and restated limited partnership agreement reflecting a carried interest calculation amendment, changing from a gross proceeds calculation methodology to a net profit interest calculation methodology.

Table of Contents

Material Changes	2
Table of Contents	2
Advisory Business	2
Fees and Compensation	3
Performance Based Fees and Side-by-Side Management	5
Types of Clients.....	5
Methods of Analysis, Investment Strategies and Risk of Loss	5
Disciplinary Information	7
Other Financial Industry Activities and Affiliations	8
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
Brokerage Practices	8
Review of Accounts	9
Client Referrals and Other Compensation.....	10
Custody.....	10
Investment Discretion.....	10
Voting Client Securities	10
Financial Information	11

Advisory Business

VCM is a Delaware limited liability company formed in August 2010. VCM is wholly owned by its parent company Vida Capital, LLC, which is owned by Austin Ventures X LP and JD Equity LP. VCM serves as the investment manager to the Vida Longevity Fund, LP ("VLF") a Delaware limited partnership and Vida Side Pocket I, LP ("VSP") a Delaware limited partnership (collectively the "VCM Funds") formed to primarily invest in Life Settlements and Life Settlement Assets (as defined in the Methods of Analysis, Investment Strategies, and Risk of Loss section below). Vida Management I, LLC ("VMI") a Delaware limited liability company and Vida Management III, LLC ("VMIII") each a wholly owned subsidiary of VCM, serve as the general partners (collectively, the "VCM General Partners") to the VCM Funds, respectively. In

providing advisory services to the VCM Funds, VCM formulates their investment objectives, directs and manages the investment and reinvestment of the VCM Funds' assets, and provides reports to investors. Investment advice is provided directly to the VCM Funds and not individually to the investors.

As of January 31, 2013, VCM had no Regulatory Assets Under Management. Discretionary Assets Under Management for the VCM Funds, which are non-securities limited partnerships were approximately \$111.6 million as of January 31, 2013.

Fees and Compensation

Compensation received by VCM is generally comprised of fees based on a percentage of assets under management, carried interest and performance fees.

Management Fee

The General Partner to VLF is entitled to receive a quarterly management fee calculated at an annual rate of 2.0% of each investor's capital account (the "VLF Management Fee"). The VLF Management Fee is paid quarterly in arrears, based on the net asset value of each investor's capital account, as of the first business day of each calendar quarter. The VLF Management Fee is deducted directly from VLF accounts. The VLM Management Fee will be prorated for any period that is less than a full quarter and will be adjusted for contributions made during the quarter. The General Partner has entered into side letter agreements that reduce the standard fee and expense reimbursement arrangements for certain investors.

VLF trades with affiliated parties and each such trade is reviewed and approved by the Limited Partner Advisory Committee ("LPAC"). These trades generally are priced and traded at NAV or NAV plus a markup of 1%. Any markup is retained by VCM, the General Partner, or an affiliate and is not for the benefit of VLF.

The General Partner to VSP is entitled to a quarterly management fee calculated at an annual rate of 1.0% of each investor's capital commitment during the commitment period (24 months) (the "VSP Management Fee"). After the commitment period, the VSP Management Fee is calculated at an annual rate of 1.0% of each investor's unreturned capital contribution. The VSP Management Fee is calculated and paid quarterly in advance. The VSP Management Fee is deducted directly from VSP's accounts. VSP is a closed-end partnership and, as a result, redemptions are not permitted and refunds of Management Fees paid in advance will not occur.

Performance Fees and Carried Interest

With respect to VLF, a carried interest of 5% of the net proceeds from the maturity or sale of Life Settlements will be payable to an affiliate of the General Partner, after taking into account the acquisition cost, premiums and other capitalized costs of maintaining the asset. The carried interest is realized only when death benefits and/or sale proceeds are received by the Fund.

With respect to VSP, the General Partner will receive a split of 50% of the net cash once a limited partner has received 100% of their outstanding capital account balance and a 12% preferred return.

Redemptions

Subject to a two year “Lock-Up Period”, investors may generally make requests to redeem VLF interests on the last day of each calendar quarter (“Redemption Date”) upon 180 days prior written notice. Redemptions will be limited to 10% of any outstanding VLF interests as of any single Redemption Date during the first four years following the inception of VLF. Thereafter, redemptions of up to 20% will be permitted.

VSP is a closed-end fund and thus generally does not permit redemptions. Investors’ capital is locked up for the life of VSP, which will generally range from four to six years.

Organizational Expenses

VLF will pay or reimburse the General Partner over a three year period for all expenses incurred in connection with the organization of the Fund. These expenses include, without limitation, legal fees, accounting fees, printing costs and other out-of-pocket expenses incurred by the General Partner in connection with the offering up to 1% of the proceeds of the offering or \$250,000, whichever is less.

VSP will pay or reimburse the General Partner for its organizational costs and expenses up to an amount not to exceed \$20,000. Organization expenses incurred in excess of that amount will reduce the management fee otherwise payable by an identical amount.

Operating Expenses

In addition to VCM’s fees, investors’ capital accounts bear the fees and expenses charged to the VCM Funds. Those fees vary, but typically include but are not limited to: legal/compliance, including compliance expenses incurred by VCM relating to maintaining compliance with applicable rules under the Investment Advisers Act of 1940 and other applicable securities laws; audit and accounting fees; commitment fees and interest expenses associated with lines of credit established for the VCM Funds; and administrative fees and custodial and transaction costs paid to custodians, brokers and other third parties. Investors should review the VCM Funds’ operating and offering documents for further descriptions of all fees charged by VCM , custodians and brokers and other third parties to fully understand the total amount of fees to be paid by the VCM Funds.

See the Brokerage Practices section below for additional information regarding transaction costs.

Performance Based Fees and Side-by-Side Management

With respect to VLF and VSP, VCM charges an incentive-based fee in the form of a carried interest or performance fee, which is based on the proceeds from the maturity or sale of Life Settlements. The fact that the VCM Funds are compensated based on such profits may create an incentive for VCM to make investments on behalf of the VCM Funds that are riskier or more speculative than would be the case in the absence of such compensation. Incentive-based fees may create an incentive for VCM to favor Funds that pay an incentive-based fee over other Funds that do not pay an incentive-based fee.

VCM seeks to ensure that investment opportunities are allocated to the VCM Funds on a fair and equitable basis over time. For each investment that may be appropriate for more than one VCM Fund, VCM may use, at its sole discretion, a number of metrics, including, but not limited to, uncalled capital, available cash, investment strategy, and Fund objectives and restrictions, in determining which VCM Fund shall receive the investment. In the event that such analysis is not able to preclude all but one suitable Fund, VCM shall adequately document its allocation rationale. VCM will seek to establish an allocation determination that is fair in light of each VCM's Fund's cash availability, investment objectives, diversification criteria, and any other factors that are relevant at the time. If applicable, each order memorandum or other documentation should also document any deviations from the initial allocation determination made after execution.

Types of Clients

As discussed in the Advisory Business section above, VCM provides investment supervisory services to the VCM Funds. Investment advice is provided directly to the Funds, subject to the direction and control of VCM, and not individually to the Funds' investors.

Details concerning applicable investor suitability criteria are set forth in the Funds' operating and offering documents and subscription materials. Although VCM has the authority to accept subscriptions for lesser amounts, the minimum investments are generally \$150,000 for VLF and \$100,000 for VSP. Each investor is required to meet certain suitability qualifications, such as being an "accredited investor" under Rule 501 of Regulation D of the Securities Act of 1933, as amended and "qualified clients" as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended.

Methods of Analysis, Investment Strategies and Risk of Loss

The principal objective of the VCM Funds is to preserve the capital of the investors in the VCM Funds and seek a long-term appreciation in the value of the VCM Funds' assets. VCM will attempt to achieve these objectives by investing in "Life Settlement Assets". A "Life Settlement" is the sale to a third party of an existing life insurance policy for more than its cash surrender value but less than its death benefit. These policies are generally made up of elderly individuals or businesses that own policies they no longer want or need because the insured for which the policy was originally designed to protect no longer exists.

The VCM Funds will also consider purchasing other "Life Settlement Assets", such as existing portfolios of Life Settlements, fractions of Life Settlements, synthetic instruments and derivative

instruments related to Life Settlements, Life Settlement-backed notes, annuities tied to Life Settlements, and opportunistic investments in mortality and/or longevity-related instruments.

Additionally, VCM may to invest up to 40% of the VCM Funds' assets directly in funds managed by "hedge fund" managers and/or other private managers that invest in Life Settlement Assets.

All investing involves a risk of loss. The following represents some of the unique risks associated with investing in the VCM Funds. Investors should consider an investment in a VCM Funds as involving a high degree of financial risk and should therefore carefully consider all risk factors set forth in the relevant VCM Fund's offering and/or operational documents. Each prospective investor should carefully review offering and/or operational documents, as applicable, before deciding to make an investment in the VCM Funds.

Uncertainty of Life Settlements Market The value of a policy in the Life Settlements or secondary market depends significantly on the health and medical condition and life expectancy of the insured, life expectancy tables then in use by the life settlement industry, and any changes in general economic conditions, including interest rates, inflation rates, government regulations, overall industry conditions, competition, political conditions, volatility in the financial markets, and legislation at the time the VCM Funds may seek to sell the policy. The demand for the purchase, and the liquidity, of in-force policies is uncertain. Therefore, policies acquired by the VCM Funds may be over-priced by the General Partners and/or may not be readily saleable in the Life Settlements or secondary life insurance market if the need should arise for the liquidation of any of the policies.

Uncertainty of Life Expectancy The cost in the Life Settlements market of the policies that may be obtained by the VCM Funds depends, in large measure, upon the life expectancy of the Insured under the policy. The return to the VCM Funds on such purchases is almost entirely dependent upon how accurate the expectancy was as compared to expected life expectancy. Life expectancies are estimates of the expected longevity or mortality of an insured and are inherently uncertain. There can be no assurance that any life expectancy obtained on an insured for a policy will be predictive of the future longevity or mortality of the insured.

Insurable Interest Risk All states require that the initial purchaser of a new life insurance policy insuring the life of an individual has an insurable interest in such individual's life at the time of original issuance of the policy. Whether an insurable interest exists in the context of the purchase of a life insurance policy is critical because, in the absence of a valid insurable interest, life insurance policies are unenforceable under most states' laws. Where a life insurance policy has been issued to a policy holder without an insurable interest in the life of the individual who is insured, the life insurance company is generally not required to pay the death benefit under the policy, but must repay to the owner of the policy all premium payments, usually without interest. Generally there are two forms of insurable interests in the life of an individual, familial and financial. Additionally, an individual is deemed to have an insurable interest in his or her own life. Insurable interest is determined at the inception of the policy. Any determination that a policy purchased by the VCM Funds was issued without insurable interest is therefore void.

Premium Increases For any policies that may be obtained by the VCM Funds, the VCM Funds will be responsible for maintaining the policies, including paying insurance premiums. If a life

insurance company is able to increase the cost of insurance charged for any of the policies, the amounts required to be paid for insurance premiums due for these policies may increase, requiring the VCM Funds to incur additional costs for the policies which may adversely affect returns on such policy and consequently reduce the secondary market sale value of such policies.

NAIC Viatical Settlements Model Act Industry groups, including the National Association of Insurance Commissioners (“*NAIC*”) and the North American Securities Administrators Association (“*NASAA*”), perceived there to be an industry regulatory void and passed the NAIC Viatical Settlements Model Act and subsequent Guidelines Regarding Viatical Investments to protect Seniors from over-reaching by less than scrupulous and forthcoming life settlement brokers and providers. In addition to the states which adopt the NASAA guidelines, other states which license insurance purchases follow many of the provisions of the NAIC Viatical Settlements Model Act. Most states regulate life settlements through their insurance departments and/or securities administrators.

Compliance with State Insurance Laws Approximately forty states have adopted viatical and life settlement laws that require licensure of entities that buy or sell life settlement and viatical settlement contracts. The General Partners and the VCM Funds may be required to be licensed as a viatical or life settlement provider in a state that has adopted such laws before it can be permitted to effect the purchase of policies in a life settlement or viatical settlement transaction in that state. However, the General Partners and the VCM Funds may not be able to comply with every state’s laws, or to renew or prevent revocation of a previously issued license or approval. The General Partners and the VCM Funds may be precluded from doing business in any state in which either is unable to obtain or otherwise maintain a required license or otherwise comply with the insurance or securities laws of that state. In the event the General Partner or the VCM Funds is not licensed or approved to do business, or has its license suspended, revoked or non-renewed, in any state, the General Partner and the VCM Funds may not be able to acquire and then resell policies in such states. The inability to purchase policies from the “regulated states” may significantly diminish the number of policies available for purchase by the VCM Funds.

Changes in U.S. Insurance Regulation Changes in state and federal statutes, laws and regulations might make it more difficult for the VCM Funds to purchase and sell policies, thereby hindering the implementation of the VCM Funds’ strategies for acquiring, reselling, holding, or securitizing the policies.

Disciplinary Information

VCM and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor’s evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

The VCM Funds will invest only in Life Settlement Assets where there is a clear expectation of payment upon policy maturity. VCM believes that the key to ensuring such payment is a rigorous due diligence process on the part of licensed and regulated companies that facilitate the sale of policies to investors by identifying, examining, and acquiring the policies as agent for the purchasers (each an “Originator”). Magna Life Settlements, Inc. (“Magna”), an affiliate of VCM, is a licensed Originator that employs a detailed quality assurance program when evaluating policies. By working with an affiliated Originator, VCM can verify that the policies it purchases for the VCM Funds are originated in strict adherence with state and federal laws and compliant with internal due diligence and quality assurance processes. Magna will receive origination fees for Life Settlement Assets it facilitates for the VCM Funds. Notwithstanding the foregoing, the VCM Funds will also engage additional, non-affiliated Originators.

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

To avoid potential conflicts of interest and mitigate risks involving personal trades, VCM has adopted written personal trading policies and procedures for its employees that include a formal Code of Ethics (the “Code”) and insider trading policies and procedures. Procedures have been adopted to ensure compliance with the provisions of the Code, including pre-approval of certain personal securities transactions, annual affirmations of compliance, and regular reviews of holdings and transactions. VCM and/or its officers or employees are generally not permitted to trade in the same securities that have been purchased for the VCM Funds.

VLF trades with affiliated parties and each such trade is reviewed with and approved by the Limited Partner Advisory Committee (“LPAC”). These trades generally are priced and traded at NAV or a markup of NAV plus 1%. Any markup is retained by VCM, the General Partner, or an affiliate and is not for the benefit of VLF.

A copy of VCM’s Code of Ethics shall be provided to any investor or prospective investor upon request.

VCM, certain of its employees, and/or related entities have investments in the VCM Funds. For example, the General Partners for the Funds are 100% owned by VCM. In addition, VCM and the General Partners will participate in the Funds’ investment programs by agreeing to commit a certain percentage of the Funds’ total capital commitments or a certain amount as defined in the Fund’s governing documents. Therefore, VCM and its employees, and/or related entities participate in transactions effected for the VCM Funds.

Brokerage Practices

The VCM Funds are focused on making investments in Life Settlement Assets. As discussed in the Fees and Compensation section above, this entails a due diligence process on the part of licensed and regulated companies that facilitate the sale of policies to investors by identifying, examining, and acquiring the policies as agent for the purchasers, called Originators. As VCM acquires Life Settlement policies, the VCM Funds typically pay a market-based origination fee as part of the cost of acquisition of each policy. This is a transaction cost, which is part of the

capitalized cost basis of each policy, and is ultimately borne by the relevant VCM Fund. Where VCM uses a third party Originator, VCM attempts to negotiate the best possible price and transaction costs for the Fund. If VCM uses Magna, VCM's affiliate Originator, VCM adheres to strict guidelines to ensure that the Fund seeks to pay the best possible and transaction costs generally offered by Magna to other potential purchasers. Where VCM chooses to purchase Life Settlement policies for a Fund from Magna, the transaction costs paid by the Funds to Magna are 1% of face value of each Life Settlement policy. VCM generally utilizes Magna to effect purchases and sales of Life Settlement policies for the VCM Funds, unless Magna is not licensed to operate in a particular state and thus cannot effect a transaction involving a policy holder in that state.

The fact that Magna is affiliated with VCM may create an incentive for VCM to purchase Life Settlement policies for the VCM Funds from Magna due to the common ownership of VCM and Magna, rather than on the VCM Funds' interest in receiving most favorable overall execution. In selecting Originators to effect Life Settlement transactions, VCM seeks best overall execution and considers such factors as Life Settlement policies offered, origination rates, price, the ability of the Originator to effect the transaction and the due diligence process, the Originator's maintenance of state licenses, the Originator's facilities, reliability and financial responsibility and the provision of, or payment for, the costs of research-related products or services that are of benefit to the VCM Funds or, VCM and related accounts. VCM does not have an obligation to seek the lowest available fees and other costs. Accordingly, if VCM determines in good faith that the amount of fees and other compensation charged by an Originator are reasonable in relation to the value of the execution and/or research-related goods and services provided by such Originator, the VCM Funds may pay fees and other compensation to such Originator which are greater than those another might charge.

To the limited extent VCM transacts in public securities it intends to select brokers based upon the broker's ability to provide best execution for the VCM Funds. VCM is generally authorized to make the following determinations, subject to each Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Funds or any of their investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

VLF trades with affiliated parties and each such trade is reviewed with and approved by the Limited Partner Advisory Committee ("LPAC"). These trades generally are priced and traded at NAV or a markup of NAV plus 1%. Any markup is retained by VCM, the General Partner, or an affiliate and is not for the benefit of VLF.

Review of Accounts

VCM focuses on investments in Life Settlement Assets. A "buy-and-hold" approach is generally taken with respect to the investments purchased for the VCM Funds. The Funds' progress is carefully reviewed and monitored on a monthly basis by VCM.

Fund investors are typically provided with a quarterly Fund report and account statements in writing. This quarterly package also typically includes detailed Fund financial statements as well as a comprehensive investment memorandum describing the major events that occurred during the quarter and an overview of general market conditions. VCM will also provide audited Fund financial statements in writing on an annual basis.

Client Referrals and Other Compensation

VCM makes payments to third parties for introducing potential investors to the VCM Funds. Aside from management and incentive fees, and fees paid to Magna for which VCM and its owners indirectly benefit, VCM does not receive any other economic benefits from non-investors in connection with the provision of investment advice to the VCM Funds. Fund investors who subscribe through an authorized dealer, placement agent, or other third party may be subject to a sales charge in accordance with a prior written disclosure provided to such investors. All or a portion of any such subscription charge may be paid to authorized dealers, placement agents, or independent third parties, other than VCM, for services provided in connection with the solicitation of subscriptions. Any applicable subscription charge is deducted from the investor's capital contribution.

Custody

The VCM Funds' assets are held in custody by JP Morgan, Wells Fargo Bank and/or other unaffiliated qualified custodians. However VCM has access to Fund assets since an affiliate serves as the General Partners of the Funds. Investors will not receive statements directly from the custodians. Instead the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year ends.

Investment Discretion

As discussed previously, VCM generally has discretionary authority to determine, without obtaining specific consent from the Funds or their investors, the securities and other instruments as well as amounts to be bought or sold. Any limitations on authority are discussed in the VCM Funds' private placement memoranda and other governing documents.

Voting Client Securities

Due to the nature of VCM's investment programs and the types of investments made on behalf of the VCM Funds, VCM is rarely requested to vote the proxies of traditional operating companies. Given the fact that the VCM Funds primarily invest in Life Settlements policies and other Life Settlements Assets, it is more common for VCM to receive requests related to amendments, consents, and/or resolutions as a result of investments in Life Settlement Assets.

VCM will vote proxies in a manner that it believes maximizes the value of the Funds' investments. In so doing, VCM may take into consideration recommendations made by third-parties, such as attorneys and independent actuaries.

VCM will not neglect its proxy voting responsibilities, but VCM may abstain from voting if it deems that abstinence is in the Funds' best interests. The Chief Compliance Officer will ensure that documentation, such as meeting minutes or a separate memorandum, is maintained that describes the rationale for any instance in which VCM does not vote a Fund's proxy.

If VCM determines that it is faced with a material conflict of interest in voting proxies, an Advisory Committee (the "Committee") will be convened and will determine the appropriate vote. Decisions of the Committee are nonbinding. If a unanimous decision cannot be reached by the Committee, a competent third party will be engaged, at VCM's expense, who will determine the vote that will maximize the applicable Fund's value. As an added protection, the third party's decision is binding.

Our complete proxy voting policy and procedures are memorialized in writing and are available for review by investors and prospective investors. In addition, VCM's complete proxy voting record is available to Fund investors, and only to Fund investors. Please contact VCM if you have any questions or if you would like to review either of these documents.

Financial Information

VCM has never filed for bankruptcy and are not aware of any financial condition that is expected to affect its ability to manage client accounts.