

**Item 1: Cover Page for Part 2A of Form ADV:
Firm Brochure
March 2015**

Vida Capital Management, LLC
805 Las Cimas Parkway, Suite 350
Austin, TX 78746
512-961-8265

Firm Contact:
Chris Munson
Chief Compliance Officer

Firm Website:
www.vidacapitalinc.com

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.

Item 2. Material Changes

This brochure contains information about VCM and contains changes since its last update in March 2014. We would like to bring to your attention the following changes to this brochure:

- Mr. Chris Munson assumed the role of Chief Compliance Officer.
- VCM launched a separately managed account, the Vida Longevity Fund III (“VLF III”), a Delaware limited partnership.
- VCM created Vida Management V (“VMV”), a Delaware limited liability company to serve as the General Partners for VLF III.
- Vida Management I (“VMI”) modified, with limited partner consent, the methodology for calculating the Performance Allocation (defined below) for the Vida Longevity Fund, LP (“VLF”).

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Item 4. Advisory Business

VCM is a Delaware Limited Liability Company formed in August 2010. VCM is wholly owned by its parent company Vida Capital, Inc., which in turn is wholly owned by 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, Vida Side Pocket II, LP (“VSP II”), a Delaware limited partnership, and the Vida Longevity Fund III, LP (“VLF III”), 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, Vida Management IV, LLC (“VMIV”), a Delaware limited liability company, and Vida Management V, LLC (“VMV”) a Delaware limited liability company, each a wholly owned subsidiary of VCM, serve as the general partners (collectively, the “VCM General Partners” and each, a “General Partner”) 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. VCM markets its advisory services to prospective separate account clients, and effective March 31, 2014 received a \$50 million commitment from a new separate account client. VCM expects to provide advisory services to separate accounts that are materially similar to the VCM Funds. VCM may tailor its advisory services to the individual needs of separate account clients. Further, separate account clients may impose restrictions on investments for their accounts.

As of February 28, 2015, VCM had approximately \$117 million in Regulatory Assets Under Management. Discretionary Net Assets Under Management for VCM, which includes non-securities limited partnerships, were approximately \$174.2 million as of February 28, 2015.

Item 5. Fees and Compensation

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

Management Fee

VMI, as 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 last business day of each calendar quarter. The VLF Management Fee is deducted directly from VLF accounts. The VLF 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 the VCM Funds and is not for the benefit of the General Partner or affiliates thereof.

VMIV, as the General Partner to VSPII, is entitled to a quarterly Administrative fee calculated at an annual rate of 1.0% multiplied by the aggregate face value of all assets in VSPII (the “VSPII Management Fee”). The VSPII Management Fee is calculated and paid quarterly in advance. The VSPII Management Fee is deducted directly from VSPII’s accounts. VSPII is a closed-end partnership and, as a result, redemptions are not permitted and refunds of VSPII Management Fees paid in advance will not occur.

VMV, as the General Partner to VLF III, is entitled to quarterly management fee calculated at an annual rate of 1.25% of committed capital during the Investment Period and 1.25% of the unreturned capital balance after the Investment Period (the “VLF III Management Fee”). The VLF III Management Fee is calculated and paid quarterly in advance, and is deducted from VLF III’s accounts. VLF III is a closed-end partnership and, as a result, redemptions are not permitted and refunds of VLF III Management Fees paid in advance will not occur.

Management fees for advisory services offered to separate account clients generally range up to 2% per annum of committed capital during the investment period and up to 2% of the unreturned capital balance after the investment period, as set forth in applicable investment management agreements or other account governing documents. Management fees for advisory services are directly deducted quarterly, in advance or in arrears depending on the client, prorated for any period that is less than a full fiscal quarter and adjusted for additional capital contributions or commitments occurring during the period. Separate accounts are generally offered and structured as commitment based accounts and, as a result, withdrawals of capital are not permitted and refunds of any management fees paid in advance will not occur.

Performance Fees and Carried Interest

With respect to VLF, the General Partner is entitled to a performance allocation at the end of each calendar quarter (the “Performance Allocation”). The Performance Allocation is calculated and charged separately with respect to each limited partner’s capital account, and is equal to 5% of the net gains, subject to a high watermark. The high watermark ensures that, should the Fund experience negative performance, the General Partner will not receive any future Performance Allocation until the capital account reaches its highest historical amount. The high watermark does account for withdrawals and is reduced in proportion to the amount of the withdrawal.

With respect to VSPII, the General Partner will receive at the end of each fiscal period an aggregate amount equal to 2% of the gross death benefit or sale proceeds of policies.

With respect to VLF III, the General Partner will receive at the end of each fiscal period 20% of all net available cash remaining after the payment of any unreturned capital and a preferred return to the client.

Separate accounts are generally subject to carried interest of up to 20% after a preferred return to the client.

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. The General Partner has entered into side letter agreements that reduce the standard lock-up period or notice period for certain investors.

VSPII and VLF III are closed-end funds and thus generally do not permit redemptions. Investors’ capital is locked up for the life of VSPII or VLF III, respectively, which will generally range from five to eight years.

Separate accounts are generally offered and structured as commitment based accounts and, as a result, withdrawals of capital are not permitted. Clients’ capital is locked up for the term set forth in the applicable investment management agreements or other account governing documents, which will generally range up to ten years.

Organizational Expenses

VLF will pay or reimburse its 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.

VSPII will pay or reimburse its General Partner for its organization costs and expenses.

VLF III will pay or reimburse its General Partner for its organization costs and expenses.

Separate account clients will pay or reimburse VCM or an affiliate for account organization costs and expenses.

Operating Expenses

In addition to VCM’s fees, investors’ capital accounts bear the fees and expenses charged to the VCM Funds. Separate accounts clients bear similar fees and expenses as the VCM Funds, as agreed upon and set forth in applicable investment management agreements or other account governing documents. 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 or separate accounts; 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. Likewise, separate accounts should review

applicable investment management agreements or other account governing documents for further descriptions of applicable fees and expenses.

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

Item 6. Performance Based Fees and Side-by-Side Management

With respect to VLF, VSPH, and VLF III, and generally with respect to separate accounts as well, VCM charges an incentive-based allocation in the form of a carried interest or performance allocation, which may be based on unrealized gains from appreciation of assets or the proceeds from the maturity or sale of Life Settlements. The fact that VCM is compensated based on such profits may create an incentive for VCM to make investments on behalf of the VCM Funds or separate accounts that are riskier or more speculative than would be the case in the absence of such compensation. Incentive-based allocations may create an incentive for VCM to favor Funds or accounts that pay an incentive-based allocation over other Funds or accounts that do not pay an incentive-based allocation.

VCM seeks to ensure that investment opportunities are allocated to the VCM Funds and separate accounts on a fair and equitable basis over time. For each investment that may be appropriate for more than one VCM Fund or account, VCM will first review the investment objectives and restrictions of each of the Funds. Should an acquisition fall within the investment objectives of multiple Funds, VCM will review the uncalled capital and available cash of each Fund and allocate the acquisition to the Fund with available capital. Should multiple Funds have available capital, VCM will utilize a rotational allocation methodology and adequately document its allocation reasoning. VCM will seek to establish an allocation determination that is fair in light of each VCM's Fund's and account'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.

Item 7. Types of Clients

As discussed in *Item 4. Advisory Business*, 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. VCM markets its advisory services to prospective separate account clients.

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 \$100,000 for VLF and \$1,000,000 for VSPH. 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. Certain separate account clients may be required to meet certain criteria as well, such as meet the aforementioned "qualified client" standard.

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

The principal objective of VCM is to preserve the capital of clients and the investors in the VCM Funds and seek a long-term appreciation in the value of separate accounts' and 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 due to circumstances having changed since the policy was taken out.

VCM 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.

All investing involves a risk of loss. The following represents some of the unique risks associated with investing in the VCM Funds and separate accounts managed by VCM. Investors and clients should consider an investment in a VCM Funds or separate accounts managed by VCM 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 or relevant investment management agreements or other account governing documents. Each prospective investor or client should carefully review agreements, offering and/or operational documents, as applicable, before deciding to make an investment in the VCM Funds or engage VCM to manage a separate account.

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 VCM may seek to sell the policy. The demand for the purchase, and the liquidity, of in-force policies is uncertain. Therefore, policies acquired by VCM may be overpriced by VCM or the General Partners and/or may not be readily able to be resold in the tertiary market for life insurance 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 VCM depends, in large measure, upon the life expectancy of the insured life under the policy. The return to the VCM Funds or separate accounts on such purchases is almost entirely dependent upon how accurate the expectancy was as compared to actual 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 typically 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 VCM was issued without insurable interest may render the policy void or subject the death benefit to legal claims by former policy beneficiaries.

Premium Increases For any policies that may be obtained for the VCM Funds or separate accounts, the VCM Funds or separate accounts 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 or separate accounts to incur additional costs for the policies which may adversely affect returns on such policy and consequently reduce the resale value of such policies in the tertiary market for life insurance 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-five states have adopted viatical or 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, or VCM and separate account clients, may be required to be licensed as a viatical or life settlement provider (or purchase policies only through such licensed entities) 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, or VCM and separate account clients, 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, or VCM and separate account clients, may be precluded from doing business in any state in which they are 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, or VCM and separate account clients, is not licensed or approved to do business, or has its license suspended, revoked or non-renewed, in any state (or is unable to purchase policies through such a properly licensed entity), the General Partner and the VCM Funds, or VCM and separate account clients, 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 and separate account clients.

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

Item 9. 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.

Item 10. Other Financial Industry Activities and Affiliations

VCM 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 and separate accounts 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 and separate accounts. Notwithstanding the foregoing, the VCM Funds and separate accounts may also engage additional, non-affiliated Originators. All prospective investors will be informed of the affiliation between VCM and Magna, and will thus be aware of this incentive prior to the time they invest funds in a VCM Fund.

Mr. Jeffrey Serra, the President of VCM, is a partner of Ovation Partners, LP (and its affiliates, collectively "Ovation"), a SEC exempt reporting adviser that provides advisory services to its clients. In addition, Mr. Daniel Young, the Secretary for VCM, owns Dan Young Law, PLLC ("DY Law"), a law office that provides services to Ovation... Ovation and VCM do not share supervised persons other than Mr. Serra and Mr. Young. Additionally, Ovation operates a fund-of-funds that invests a portion of its client assets into VLF, for which VLF does not charge a management fee. VCM and Ovation share office space, and VCM has conducted analysis on the possible risks of shared space and has implemented policies and procedures to ensure the security and privacy of information collected by VCM. Mr. Serra's and Mr. Young's involvement with Ovation do not hinder their ability to advise the VCM Funds.

Item 11. 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 or separate accounts.

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 the VCM Fund, and is not for the benefit of VCM or affiliate thereof.

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 Fund’s 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.

Item 12. Brokerage Practices

VCM is focused on making investments in Life Settlement Assets. As discussed in *Item 5. Fees and Compensation*, 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 Funds and separate accounts acquire Life Settlement policies, the VCM Funds and separate accounts 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 or separate account. Please review *Item 6. Performance-Based Fees and Side-By-Side Management* for more information regarding VCM’s methodology for allocating assets between Funds. Where VCM uses a third party Originator, which is extremely rare, VCM attempts to negotiate the best possible price and transaction costs for the Fund or separate account. If VCM uses Magna (VCM’s affiliate Originator), which is typically the case, VCM adheres to strict guidelines to ensure that the Fund or separate account seeks to pay the best possible price and transaction costs generally offered by Magna to other potential purchasers. Where VCM chooses to purchase Life Settlement policies for a Fund or separate account from Magna, the transaction costs paid by the Funds or separate accounts to Magna are generally 1% of face value of each Life Settlement policy, however fees paid to Magna may be less than 1% of face value and certain Funds have negotiated a lower fee schedule under specific conditions. VCM generally utilizes Magna to effect purchases and sales of Life Settlement policies for the VCM Funds and separate account clients, 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 and separate accounts from Magna due to the common ownership of VCM and Magna, rather than on the VCM Funds’ and separate account clients’ 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, separate account clients 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 and separate accounts 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 and separate accounts. VCM is generally authorized to make the following determinations, subject to each Fund's and account'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.

Please see *Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* for more information regarding VLF's trading practices.

Item 13. 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 separate accounts. The Funds' and separate accounts' progress is carefully reviewed and monitored on a monthly basis by VCM.

Fund investors and separate account clients are typically provided with a quarterly report and account statements in writing. This quarterly package also typically includes detailed Fund financial statements for Fund investors 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 to Fund investors in writing on an annual basis.

Item 14. Client Referrals and Other Compensation

VCM makes payments to third parties for introducing potential investors to the VCM Funds and clients for separate accounts managed by VCM. Aside from management fees, performance allocations, 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 or non-clients in connection with the provision of investment advice to the VCM Funds and separate accounts. 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.

Item 15. Custody

The VCM Funds' and separate account clients' assets are held in custody by US Bancorp, Square 1 Bank, Wells Fargo Bank and/or other unaffiliated qualified custodians. However VCM has access to Fund assets and separate account clients' assets since an affiliate serves as the General Partners of the Funds or in a similar capacity for the separate account clients. Fund 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. With respect to separate account clients for which VCM is deemed to have custody, qualified custodians send quarterly, or more frequent, account statements directly to the clients. Separate account clients should carefully review these statements. Separate account clients will also receive account statements from VCM. Clients are urged to compare the account statements they receive from qualified custodians with those they receive from VCM.

Item 16. Investment Discretion

As discussed previously, VCM generally has discretionary authority to determine, without obtaining specific consent from the Funds or their investors, or separate account clients, 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, investment management agreements, and other governing documents.

Item 17. Voting Client Securities

Due to the nature of VCM's investment programs and the types of investments made on behalf of the VCM Funds and separate account clients, VCM is rarely requested to vote the proxies of traditional operating companies. Given the fact that the VCM Funds and separate account clients 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' and separate account clients' 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' or separate account clients' 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 or client'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 or separate account'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 separate account clients, and only to Fund investors for the Funds in which they are invested and separate account clients for their accounts. Please contact VCM if you have any questions or if you would like to review either of these documents.

Item 18. 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.