



ARTEMIS VENTURES

Third Quarter 2000

Financial Report

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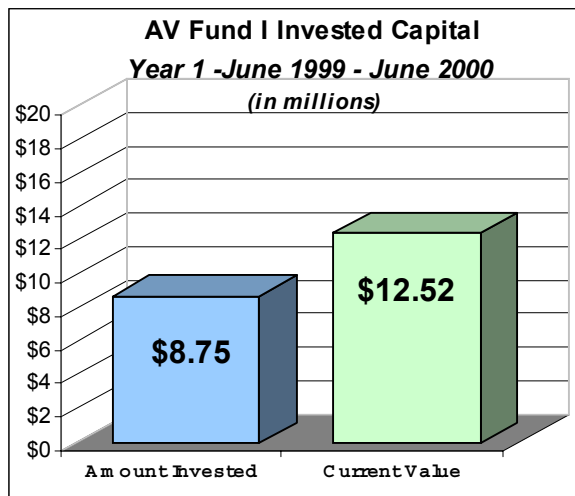
November 15, 2000

Dear Artemis Ventures Investors and Advisors:

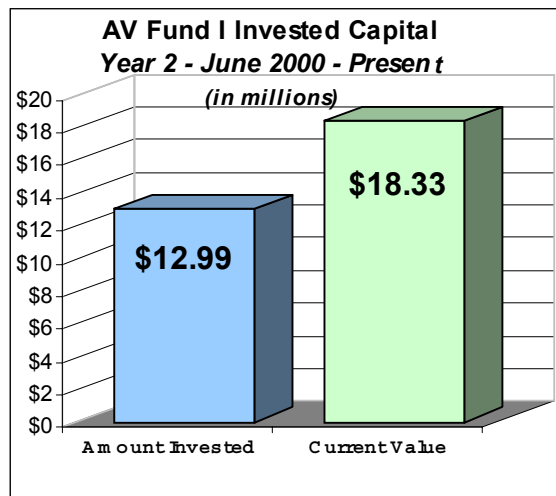
Enclosed are the unaudited financial statements for Artemis Ventures ("AV") Fund, LP for the third quarter of 2000. Also enclosed you will find full-page summaries on our portfolio companies.

AV Fund Statistics:

Since inception through 3Q00, AV has invested in 8 portfolio companies totaling \$12,993,919. This investment is currently valued at \$18,331,001.58. We have allocated the remainder of the Fund for Series B investments in four companies (AccessLease, Taviz, ViewCentral and Voice Access) except for management fees the Fund is now fully committed.



43% increase in value for year



41% increase in value for quarter

In this time of venture fund write-downs, we are thrilled to report a sizeable increase in Fund value: 41% in this quarter alone, which is the first quarter of our second year investing.

AV Investment Activity:

- In July 2000 we invested \$400,000 in Taviz's (www.taviz.com) Series A. Please refer to the attached company write-up for details on this exciting new investment.
- In August 2000 we invested \$1,118,975 in Again Technologies' Series B (\$618,976 of this was a converted bridge loan). \$9,300,000 million was raised with a pre-money valuation of \$8.8 million. This represented a 4x valuation increase in the 15 months since Series A.
- In August 2000 we invested \$1,650,779 in Toolwire's Series B (\$100,000 of this was a converted bridge loan). \$15 million was raised with a pre-money valuation of \$19.5 million. This represented a 4x valuation increase in the 11 months since Series A.
- In September 2000 we invested \$1,674,709 in AccessLease's (www.accesslease.com) Series A. Please refer to the attached company write-up for details on this exciting new investment.

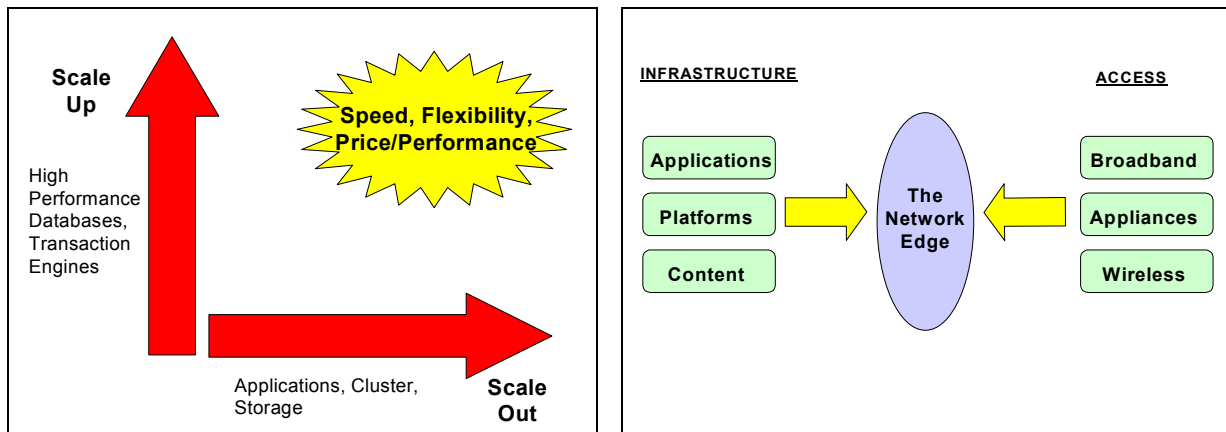
AV Portfolio Company 3Q00 Highlights:

See attached overviews.

AV Observations and Comments:

What's compelling now?

A fundamental change is occurring in the Internet. The sobering correction of the public markets has opened up further opportunities for pragmatic, essential, profit-oriented companies. Most of these new companies benefit both offline and online businesses. Now companies ranging from the small/medium enterprise to the Global 2000 are reinventing their information systems, moving mission critical applications to intranets, extranets, and the Internet itself. It is time for the Internet to scale up and scale out.



As a result of scaling up and out, more power is moving to the network edge. This is where access meets infrastructure to deliver pervasive, personalized commerce and content. AV Fund II will be focused on the technologies that enable scaling up and out, as well as the components of infrastructure that support the new ebusiness environment. Think messaging, storage, routing, data/application integration, and distributed computing.

Our team has expertise in applications, platforms, broadband, and wireless. Thus, we will not only continue the AV history of phenomenal deal flow but are uniquely positioned to add significant value to the companies in our portfolio. Further, we have brought on board some additional advisors with this highly relevant expertise. In the interest of brevity, we'll outline our new advisors in our next quarterly update and on our web site before then.

AV Expanded Team

We are pleased to welcome Henry Wong, our new Associate, to the AV Team. Henry Wong manages the deal process for prospective investments, including deal sourcing, screening, performing due diligence, valuation analysis, negotiation, and execution. Henry's professional experience stems from both finance and legal backgrounds, having worked for such notable companies as MCI-Worldcom, Morrison & Foerster, and venture-backed satellite communications start-up Ellipso, Inc. Based on his expertise in the communications sector, he has published many papers in various legal and finance journals. He holds a BA in Finance from the University of Washington, and a JD and MBA from American University in Washington DC.

We are currently recruiting a Principal and a Venture Partner. Our aim is to provide senior team members with a trial period before becoming full-fledged Partners. This trial period will give us an opportunity to ensure we have the right fit. We expect to have either the Principal or Venture Partner on board by mid-late 4Q00.

Portfolio Company Resources

Our newly designed website is not only much easier to navigate, but also has a variety of cool new resources for our portfolio companies. Here is how to access it.

1. Go to <http://www.artemisventures.com>. On the home page in the Resources menu click on the Portfolio option.
2. Enter username [investor] and password [avresources]. Simply enter the words without the brackets.
3. Drill down on the items listed -- more coming soon!

You'll find lots of goodies here to share with your friends at startups.

AV Fund II

Many of you have inquired about AV Fund II. We are in the process of contacting you all and will be in touch shortly. We expect the first close of the new Fund to be in late December 2000/early January 2001. Thanks to those who have already sent in their subscription agreements!

Post 3Q00 News

We are pleased to welcome Lisa Campos, our new Controller, to the AV Team. Lisa Campos manages all aspects of the management company's operations and the accounting for AV Funds, including quarterly and annual reports as well as annual audited financial statements and tax returns. Lisa also supports fundraising efforts, financial due diligence and facilitating term sheets for potential portfolio companies and document tracking for investment activities. She is also responsible for HR, payroll, and office management. Lisa's professional background includes over 10 years of management and 9 years of public accounting experience. She has extensive experience with financial statement preparation, auditing, reconciliation, and accounting software administration and conversion. She is a licensed CPA and has a Masters Degree in Taxation.

The AV Team wishes you a holiday season full of comfort, joy, and portfolio gains!

Thank you for your confidence and trust,



Christine Comaford
Managing Director

3Q00 Status Report



VOICE ACCESS
TECHNOLOGIES, INC.

Company

Description:

Voice Access Technologies provides location-based, voice-activated concierge services to wireless carriers, call centers, and automotive manufacturers. Voice Access is the first "business to business" application service provider to use cutting-edge voice recognition technology. By leveraging existing text-to-concatenated speech technology, integrated databases and content providers, Voice Access is able to provide customized data solutions compatible with any wireless phone or application. Worldwide market size: \$150 Billion.

Key Quarterly Achievements:

- Further progress with SignalSoft for a Value Added Reseller (VAR) agreement where Signalsoft will act as reseller of VAT services to its wireless carrier customers
- Further progress with major rollout customers: Bellsouth, Verizon, BellMobility, and Alltel (representing more than 70 million wireless subscribers)
- Received strong endorsement for concatenated speech technology by GTE-TSI at recent demo to GTE-TSI customers
- Successfully developed and integrated concatenated speech technology

Voice Access's technology is now ready for full-scale commercial deployment, and we should be expecting the company to begin inking deals in the pipeline – Bell Mobility is currently undergoing contract review with internal counsel. Voice Access has developed its proprietary text to concatenated speech technology, and has received a strong endorsement by GTE-TSI (which provides 411 information and other services to 70% of the wireless carrier market) to offer VAT's concierge voice services to its customers. As you may recall from our last investor letter, VAT has signed an exclusive agreement with GTE-TSI where GTE-TSI will offer VAT's voice concierge services exclusively to its customers. Moreover, SignalSoft (\$500M market cap) is interested in acting as a VAR for the company. SignalSoft Corporation provides a suite of software products that enable the delivery of location-based voice and data services to wireless network operators, and is interested in bundling their location-based solutions with VAT's voice technology.

Vital Signs:

- Partners/Customers: GTE-TSI is key partner; numerous customer prospects including Verizon, SBC/Bellsouth, Bell Mobility
- Profitability Target Quarter: 4Q02

Currently

Looking for:

- Sales reps who have experience selling to telcos
- Business Development contacts in all telco companies with wireless business service units

Funding

Needs/Status:

- Secured \$800K bridge loan, working on additional \$1.0M
- Raising Series B in 1Q01

3Q00 Status Report



Company

Description:

Toolwire is the leading infrastructure provider for online electronics design to the global electronics industry. Toolwire's Design Chain Management (DCM) Network integrates the top design tools, technical information, engineering expertise, and raw processing power as an application service provider (ASP) – creating a universal e-business platform for collaboration, design and innovation. Toolwire's platform enables electronics companies to run popular engineering software on a pay-as-you-go basis. Worldwide market size: \$20 Billion.

Key Quarterly Achievements:

- Closed Series B financing and achieved 4X valuation increase from Series A to B, led by 3i
- Paul Rivers Latham of 3i and Jack Carsten of Horizon Ventures join Board of Directors in Series B syndicate
- Successfully recruited VP Engineering John Catanzaro (formerly VP of Engineering for the Front Office Systems Group with Baan Company, Dir. and Principal Consultant for Client Services at Baan, Sr. Manager of Information Services for Unisys Corp.)
- Major press coverage including Red Herring, InformationWeek, Electronic News, EETimes, Electronic Buyers' News, Daily Deal

Paul Rivers Latham from 3i, an international VC, and Jack Carsten from Horizon Ventures joined the Board of Directors. These additions bring more than a combined 25 years of VC experience, as well as over 20 years operational experience in design automation. 3i is a strategic global VC, and could factor well into Toolwire's 'global' design infrastructure play. Paul Rivers-Latham holds degrees in physics and semiconductor engineering, and served in senior technical and marketing positions within the semiconductor, computing and communications industries. Jack Carsten served as VP for Intel's Components Group and head of its Microprocessor Division, and held various executive positions at Texas Instruments. Also in this quarter, Toolwire reorganized its management team and named former VP of Business Development Mark Gilbreath CEO, while Daniel Hodges, former President, was named to Chief Strategist. Now that Toolwire has completed its 'proof of concept' stage and has established itself as the leader in the online electronic design infrastructure marketplace, the next area of focus is building the operational foundation required to scale the company to the next level, where CEO Mark Gilbreath excels with over 10 years of management experience.

Vital Signs:

- Key Partners/Customers: key partners (who are also customers) include: Sun Microsystems, Lucent, Synopsys, Avnet, Webex, Questlink, ChipCenter, Triscend, Novas, Oracle, EDA Planet, CMPnet
- Profitability Target Quarter: 4Q02

Currently

Looking for:

- Controller, HR Manager, Financial Analyst, VP Sales, Customer Service Manager, Product Manager

Funding

Needs/Status:

- Series B completed, will last until 1Q02

3Q00 Status Report



Company

Description:

Eletter provides a direct marketing platform to corporate enterprises. The Company targets clients with large distributed sales forces and enables them to execute complex marketing programs that include list rental/purchase, physical mail production, mailing, and tracking via their extranet. Eletter's highly automated process leverages the Internet to build a closed-loop direct marketing solution. Worldwide market size: \$24 Billion.

Key Quarterly

Achievements:

- Small business to enterprise software shift in process– Eletter to LaunchPoint (new name) transition complete by end 4Q00
- Closed \$5M credit line for equipment financing from Silicon Valley Bank
- 1st million dollar revenue quarter
- Successfully recruited CEO Jim Gagnard (formerly CEO of Diffusion, CEO of Avalon Software, CEO of Trinzic Corporation, Sr. Executive roles at Pansophic Systems, Control Data, and IBM) and VP of Sales Lou Leuzzi (formerly SVP of N. America at Armature, Inc., VP of Worldwide Sales for Vastera, Inc., and VP and GM of North American operations for Avalon Software)
- High profile press coverage: selected as one of Home Office Computing's Best Web Sites for independent professionals and home-business owners

By the end of 2000, Eletter will shift from a “print and mail” company to a “marketing automation” company. This means Eletter will be capable of delivering a suite of marketing software solutions to 9 million small and medium size businesses and capitalize on this growing \$6.2 billion dollar market. Spearheading this new effort is new CEO Jim Gagnard, with over 30 years of executive experience with leading software companies. Founding CEO Manish Mehta will assume the new role as Chairman of Eletter, responsible for mapping the strategic course of the company. With the first million-dollar quarter in company history, Eletter is continuing to ramp up customers quickly.

Vital Signs:

- No. of Partners/Customers: 9 key partners including Microsoft, Intuit, InfoUSA, OfficeDepot, IBM, AT&T, eStamp, iPrint, Stamps.com; 275 customers including RE/MAX, Blue Cross of California, Tech Planet, County of San Mateo, Washington Mutual
- Profitability Target Quarter: 2Q02

Currently

Looking for:

- VP Engineering, Professional Services and Sales Representatives

Funding

Needs/Status:

- Seeking bridge financing of \$6 to \$8 million from existing investors to continue rapid ramp up and expansion
- Raising Series C in 1Q01

3Q00 Status Report



Company

Description:

Clairvoyant provides demand-forecasting solutions for high traffic eCommerce sites and Internet Service Providers. Downtime and quality of service are of utmost importance in the wired world. The Company has developed the first *predictive* engine which can determine when a given site needs more bandwidth, servers, routers, and other network resources in order to continue to run at a pre-determined performance level. Worldwide market size: \$1 Billion.

Key Quarterly Achievements:

- Closed key customers: Exodus, 3Com
- Engineering has produced testing environment to prove scalability up to 500,000 elements
- Successfully recruited Sr. Manager of Dev. Jane Divinski (formerly Dir. at ABB Systems Control, VP of Engineering of Live Picture, VP of Engineering Caresoft, Manager of Internet and Network Products at Sun Microsystems, Manager of Payment Systems at Netscape Communications)
- Re-positioning as “Demand Forecasting” complete

Clairvoyant continues to capitalize on the earlier 2Q closing of Series B, and is ramping up key hires, customers and partners. In 3Q, the Company was able to close their first major customers: Exodus and 3Com. In addition, the Company increased scalability of their software solution, thus meeting the needs of carrier class customers like Sprint. Finally, the Company has re-positioned itself from “predictive networking” to “demand forecasting,” which is resonating very well with current and new customers and showing signs of “need to have” traction with them.

Vital Signs:

- No. of Partners/Customers: 4 key partners including Cobalt Networks, Sun Microsystems, Cache Flow, 3Com; 5 key customers including NetZero, EOS, Cache Flow, 3Com, Exodus
- Profitability Target Quarter: 4Q02

Currently

Looking for:

- VP Bus. Dev., Engineering hires (all levels), and Sales (all levels)
- Bus. Dev. contacts at: Exodus, 3COM, Epic, Sprint

Funding

Needs/Status:

- Series B completed, will last until 3Q01

3Q00 Status Report



Company

Description:

Again Technologies provides software and services for managing variable and incentive-based compensation across the enterprise. Again Technology's product automates, manages and administers variable compensation plans including commissions, bonuses, pay-for-performance and profit sharing. Variable compensation software is enabling companies to adopt and manage more extensive and flexible variable compensation plans. Worldwide market size: \$4 Billion.

Key Quarterly

Achievements:

- Successfully recruited VP Professional Services Ken Kumar (formerly with Price Waterhouse Coopers), VP Marketing Dave Michaud (formerly VP of Marketing at VMware, VP of Product Marketing at PeopleSoft, Sr. Dir. in Oracle's Server Technologies Group), Dir. of Bus. Dev. Ben Hammer (formerly Incentive Compensation Practice Dir. for Oracle)
- Sales pipeline growing (including Skillsoft, Accountants on Call, Pivotal, e.piphany, CareerBuilder)
- Successfully raised Series B led by Sierra Ventures; 4x valuation increase from Series A to B

Again Technologies continues its growth this quarter by closing a \$9.3M Series B round, led by Sierra Ventures. Sierra Ventures is one of Silicon Valley's top tier venture firms and managers of over \$1 billion of committed capital. Dave Schwab, General Partner at Sierra, joins the Board and brings the company extensive experience in successfully defining new markets and launching new companies. Mr. Schwab was a co-Founder and VP of Sales at Scopus Technologies and was also with Sun Microsystems and Lockheed Corporation.

Vital Signs:

- No. of Partners/Customers: 3 key partners including RewardStrategies.com, Watson Wyatt, iQuantic; 12+ key customers including Tektronix, PacificCorp, ALARIS, Southern California Edison, Trimble Navigation Systems, Clorox, Fleet Financial
- Profitability Target Date: 4Q02

Currently

Looking for:

- VP Engineering

Funding

Needs/Status:

- Series B completed, will last until 2Q01

3Q00 Status Report



Company

Description:

AccessLease is a financial services infrastructure company. The Company provides private-labeled leasing infrastructure to software, hardware, and equipment manufacturers. With AccessLease, these manufacturers can provide their own private-label leasing program, which is fully web-enabled, with an end-to-end leasing solution powered by AccessLease. Worldwide market size: \$3 Trillion.

Key Quarterly Achievements:

- Successfully recruited VP Bus. Dev. Todd Lawton (formerly VP of Bus. Dev. at eBoodle.com, Dir. of Netcenter Business Channels at Netscape/AOL, Dir. of Netscape's Partner Development Group) and VP Marketing Joe Loll (formerly Sr. Dir. of Marketing at Vocal Point, Dir. of Marketing at Eletter, Dir. of Sales at Aimnet Corp.)
- High profile media coverage in Interactive Week, ComputerLetter, Internet Week, Internet Week Online, Equipment Leasing and Finance Magazine, Computer Reseller News, Internet News, Redherring, Private Equity Week, Venturewire, eWeek, Leasing News, Line 56, and Sm@rtPartner
- Signed over 50 funding partners, including their first major equipment vendor partner: Planetary Networks. Under the agreement, AccessLease will provide equipment lease financing to Planetary's customers under a revenue sharing program. Planetary has projected \$50M in annual lease volume for this partnership. Accesslease earns a 1.25% fee on total lease volume.

AccessLease is positioning itself as the first and only "end to end" leasing infrastructure solution. Capitalizing on their new hires, recent national press coverage, and strategic relationships, AccessLease has piqued the interest of the funding community for their Series B financing beginning in 1Q01.

Vital Signs:

- No. of Partners/Customers: Over 50 partner funding sources including GE Capital, Bank of the West; over 500 small business customers
- Profitability Target Quarter: 2Q02

Currently Looking for:

- CFO/COO, VP Engineering, Sr. Product Managers, Bus. Dev. Manager
- Bus. Dev. contacts at Intuit, bCentral, AllBusiness, CommerceOne

Funding Needs/Status:

- Series A completed, will last until 2Q00
- Raising Series B in 1Q01

3Q00 Status Report



**Company
Description:**

Taviz provides solutions for integrating Internet, enterprise, and mobile content and data from legacy and ERP systems and the leading new eBusiness applications for CRM, Supply Chain Management, and eCommerce. The Company helps enterprise and Internet IT professionals manage information assets and preserve process integrity while reducing programming costs. Worldwide market size: \$4.2 Billion.

**Key Quarterly
Achievements:**

- Signed first 2 major customers of new real-time product: Bluelight, Best Buy
- Licensing revenue continues to ramp up quickly, from \$387K in Q100 to \$857K in Q300, and expected to double again to \$1.8M by end Q400
- Successfully recruited CFO Barry Jahansetan (formerly Controller at Saba Software, Controller at Castelle, Auditor in the United Kingdom), VP of Worldwide Marketing Suzette Cavanaugh (formerly VP of Worldwide Marketing at Oracle Consulting), and VP of N. American Sales David Bortolin (formerly VP of Sales for iMind, and various sales management positions at various high technology companies including brightinfo.com, Cotelligent, Pana-Pacific Corporation, Pactel Paging Corporation and Intel Corporation)
- Major Press Coverage: Silicon Valley Business Journal (named Taviz among the 100 Fastest Growing Private Companies for 1999-2000), the San Francisco Business Times (named Taviz among top 150 Fastest Growing Private Companies in the Bay Area)
- Turnaround complete – Series C slated as Series A. Completed Series A round led by existing investors Catalyst Ventures, Novus Ventures, Aspen Ventures, Pinnacle Venture Partners LLC, and new investor Artemis Ventures. Total raised was approximately \$7.5 million. This latest round of financing will provide additional resources accelerating Taviz's product and market development efforts for its eIntegration Suites.

After successfully closing their Series A round, Taviz has immediately put the new capital to work by hiring world-class managers. This new momentum has driven revenues at end of 3Q00 totalling over \$4.0M (pre-money valuation of \$6.5M when Artemis invested earlier in the quarter). In addition, Taviz signed Bluelight and Best Buy, which will give them referenceable customers for the new real time product. Licensing revenues continues to ramp up and account for a larger share of the "pie," validating a strong software integration business model. Taviz's success was publicly recognized by being named among the fastest growing private companies in the Bay Area by the Silicon Valley Business Journal and San Francisco Business Times.

Vital Signs:

- Key Partners/Customers: key partners include IBM, Compaq, HP, Oracle, Microsoft, Sun, Nokia, Deloitte Touche, Arthur Anderson, Ernst & Young, EDS, CSC, Peoplesoft; key customers include AT&T, GE, ITT/Sheraton, Motorola, NYSE, Siemens, Singapore Telecom, Sony, Toshiba, Transamerica, Volkswagen
- Profitability Target Quarter: 4Q01

**Currently
Looking for:**

- Bus. Dev. contacts with wireless companies, including: Phone.com/Software.com
- Bus. Dev. contacts at Ariba, EMC, Great Plains, Seibel, BEA, Persistence, Compaq, Deloitte, IBM Global
- Bus. Dev. contacts at EDI technology companies

**Funding
Needs/Status:**

- Raising Series B in 4Q00

3Q00 Status Report



**Company
Description:**

ViewCentral offers an interactive, online service that provides the infrastructure to automate event marketing, registration, and management for corporations, e-learning providers, training companies, event planners, convention services and associations. Accessed via the web, ViewCentral delivers solutions companies need to better identify, qualify, manage and communicate with their customers for event and training management. ViewCentral has the most complete, integrated and automated event management system available. Worldwide market size: \$100 Billion.

**Key Quarterly
Achievements:**

- Closed key accounts: Informatica, 3Ware, WebMethods, Ortronics, Segesta, and Clarify Partners Group, Loudcloud, Broadbase, MetLife
- Successfully recruited CFO Kevin O'Donnell (formerly VP of Finance at Netigy, various financial planning and operational roles at Apple Computer, Network Associates, Unisys, and Controller at DataTools, Inc.)
- Moving horizontally and established new positioning strategy as a total "business process automation" company, not just focused on corporate events

ViewCentral continues to close strategic accounts, and spread its wings across enterprises large and small, acting as the infrastructure engine for automating a company's training, marketing, sales, and broadcast functions. A major victory in 3Q00 was winning key customer account Loudcloud away from competitor Saba Software. Also, the company has completed build-out of their management team by hiring a new CFO, Kevin O'Donnell, with over 16 years of technology and financial experience.

Vital Signs:

- No. of Partners/Customers: over 8 key partners including ASPRegistry, Cybercash, eConstructors, eLetter, iBeam, Plansoft, Webex, and Siebel; over 20 key customers including 3Com, iBeam, IBM, PG&E, Clarify, Peoplesoft, AboveNet, Vision Associates, Integral Results, Market-Touch, Integrated Computer Solutions, Informatica, 3Ware, WebMethods, Ortronics, Segesta, and Clarify Partners Group, Loudcloud, Broadbase, MetLife
- Profitability Target Quarter: 4Q02

**Currently
Looking for:**

- Sales reps
- Bus. Dev. contacts at Sentra, Headlight, and Salesforce.com

**Funding
Needs/Status:**

- Raising Series B in 4Q00

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Net Assets
September 30, 2000
(Unaudited)

Assets

Investment in securities, at fair value (cost \$12,993,919)	\$ 18,331,001
Cash and cash equivalents	8,905,452
Prepaid management fee	141,205
Prepaid insurance	<u>63,675</u>
Total assets	<u><u>\$ 27,441,333</u></u>

Liabilities and Partners' Capital

Liabilities	\$ -
Partners' Capital	<u>27,441,335</u>
Net Assets	<u><u>\$ 27,441,335</u></u>

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Operations
For the nine months ended September 30, 2000
(Unaudited)

Interest Income		\$ 465,654
Expenses		
Management fee		423,619
Professional fees		27,681
Investor Meetings and reports		20,836
Insurance		17,325
Other Expenses		<u>882</u>
	Total expenses	490,343
	Net investment loss	(24,689)
Unrealized appreciation on investments		
Beginning of period		\$ 2,455,335
End of period		<u>5,337,082</u>
	Net change in unrealized appreciation	<u>2,881,747</u>
	Net increase (decrease) in net assets resulting from operations	<u><u>\$ 2,857,058</u></u>

Artemis Ventures Fund, L.P.
(a California limited partnership)
Schedule of Portfolio Investments
September 30, 2000
(Unaudited)

	Shares	Privately Held Preferred Stock		Other		Total		Unrealized Appreciation (Depreciation)
		Cost	Value	Cost	Value	Cost	Value	
High Technology (67% of net assets)								
AccessLease:								
Series A Preferred	2,552,910	\$ 1,674,709	\$ 1,674,709			\$ 1,674,709	\$ 1,674,709	
Again Technologies, Inc.:								
Series A Preferred	1,211,545	\$ 675,000	\$ 1,356,930			\$ 675,000	\$ 1,356,930	\$ 681,930
Series B Preferred	999,085	\$ 1,118,975	\$ 1,118,975			1,118,975	1,118,975	
		\$ -						
Clairvoyant Software, Inc.:								
Series A Preferred	1,133,333	\$ 850,000	\$ 2,164,666			\$ 850,000	\$ 2,164,666	\$ 1,314,666
Series B Preferred	523,560	\$ 1,000,000	\$ 1,000,000			\$ 1,000,000	\$ 1,000,000	
ELetter:								
Series A Preferred	967,743	\$ 500,001	\$ 2,955,336			\$ 500,001	\$ 2,955,336	\$ 2,455,336
Series B Preferred	523,930	\$ 1,600,000	\$ 1,600,000			\$ 1,600,000	\$ 1,600,000	
Taviz (EN2Z):								
Series C Preferred	4,000,000	\$ 400,000	\$ 400,000			\$ 400,000	\$ 400,000	
Toolwire, Inc.:								
Series A Preferred	450,000	\$ 599,850	\$ 1,485,000			\$ 599,850	\$ 1,485,000	\$885,150.00
Series B Preferred	500,236	\$ 1,650,779	\$ 1,650,779			\$ 1,650,779	\$ 1,650,779	

Artemis Ventures Fund, L.P.
(a California limited partnership)
Schedule of Portfolio Investments
September 30, 2000
(Unaudited)

(Continued)

	Privately Held Preferred Stock		Other		Total		Unrealized Appreciation (Depreciation)	
	Shares	Cost	Value	Cost	Value	Cost		Value
ViewCentral:								
Series C Preferred	2,062,500	\$ 1,650,000	\$ 1,650,000			\$ 1,650,000	\$ 1,650,000	
Voice Access Technologies, Inc.:								
Series A Preferred	958,862	\$ 1,174,606	\$ 1,174,606			\$ 1,174,606	\$ 1,174,606	
Bridge Loan				\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Total Portfolio Investment		<u>\$ 12,893,919</u>	<u>\$ 18,231,002</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 12,993,919</u>	<u>\$ 18,331,002</u>	<u>\$ 5,337,082</u>
Percentage of net assets (all in the United States)			67%		0%		67%	

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Partner' Capital
For the period from January 1, 2000 to September 30, 2000
(Unaudited)

	General Partner	Limited Partner	Total
Beginning Balance	\$ 657,523	\$16,445,449	\$17,102,972
Capital contributions	75,310	7,405,995	7,481,305
Investment Gain (Loss)	(247)	(24,442)	(24,689)
Unrealized Gain (Loss)	599,403	2,282,344	2,881,747
Balances, September 30, 2000	<u>\$1,331,989</u>	<u>\$26,109,346</u>	<u>\$27,441,335</u>

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Cash Flows
For the nine months ended September 30, 2000
(Unaudited)

Cash flows from operating activities

Net increase in net assets resulting from operations	\$ 2,857,058
Unrealized appreciation on investments	
Changes in assets and liabilities:	
Prepaid management fee	141,207
Prepaid Insurance	(63,675)
Accounts payable	<u>(22,846)</u>

Net cash used in operating activities 2,911,744

Cash flows from investing activities

Purchase of investments	<u>(11,150,814)</u>
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Cash flows from financing activities

Contributions from partners	<u>7,481,304</u>
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Net increase (decrease) in cash and cash equivalents (757,766)

Cash and cash equivalents, beginning of period 9,663,219

Cash and cash equivalents, end of period \$ 8,905,453

