

November 22, 1999

Dear Artemis Ventures Investors:

Below is a recap of our fund's activity from July through September 1999. Attached please find unaudited financial statements for the same period.

AV Investment Activity:

- In September, we invested \$600,000 in Toolwire ([www.toolwire.com](http://www.toolwire.com), formerly known as Reflex Networks). Toolwire is the first web-based design environment for the semiconductor industry. Through Toolwire engineers have flexible, unrestricted access to tools and a server farm via browser -- significantly expediting design cycles and ultimately shortening time to market. The entire design supply chain benefits from Toolwire!
- In September, we made a \$500,000 bridge loan to OnDemand ([www.ondemandinc.com](http://www.ondemandinc.com)). OnDemand is the first channel hub enabling vendors to optimize the performance of their sales channel partners. With OnDemand poor communication, sloppy lead management and sales inefficiency are things of the past -- and greater mindshare, shorter sales cycles, and a more effective channel are things of the present.
- In September we began seeking investors for the second financings of ELetter and Again Technologies.
- The average percentage we own of a startup is 11%.

AV Portfolio Company Highlights:

- Again Tech secured the following new customers: Trimble Navigation, Fleet Financial and Playboy Enterprises.
- Again Tech is in the process of forging strategic alliances with the following HR and compensation practices at: IQuantic, PriceWaterhouseCoopers, Arthur Andersen, Ernst & Young and Watson Wyatt.
- Again Tech is zeroing in on its second financing round. Details soon!
- Clairvoyant Software is wrapping up their beta test program with Interpath (ISP and co-location), NetZero (518 resources polled) and EOS (dial-in web host). They have had terrific market acceptance!
- Clairvoyant Software has hired star VP Engineering Henry Plummer (formerly from Conxion)
- ELetter closed the following revenue share and co-marketing deals: Intuit, SeeUThere, MySoftware (aka ClickAction), IBM, AllBizDepot, OfficeDomain, AllBusiness.com and

LinkShare. Fortis Financial signed on as the first customer for the new ELetter Corporate Network.

- ELetter won “Investor’s Choice” at the Technologic Partners’ Internet Outlook conference – one of the most highly regarded VC and Investment Banker conferences.
- The ELetter service will be bundled in Intuit’s Quicken and Quickbooks products this Fall. Chairman Scott Cook gushed about ELetter on Intuit’s recent quarterly analyst call.
- Toolwire (Formerly known as ReflexNetworks) secured Lucent as a client. Toolwire will create a Java front-end to their ORCA Foundry tools.

AV Observations and Comments:

Seed stage startups are a lot of work! But we’re having fun and making you all money. ☺ New sources of deal flow from professional services organizations, investment bankers, consultants, and yes, our dear investors (thanks John Kerr!) have added fresh deals to the heap our associate Chris Billington is digging through. We’re expecting several e-tailing sites to flame out this holiday shopping season (great news for Clairvoyant Software), increasing numbers of American and International workers to be paid for performance (great news for Again Technologies), Moore’s law will hold strong and chip design/evolution will continue its rapid pace (great news for Toolwire) and customer communication for companies all sizes will continue to be a high priority (great news for ELetter).

We Need Your Help

Our portfolio companies are seeking HR, Financial and Sales contacts at companies in the following industries:

Financial Services  
Real Estate  
Insurance

Please call/email Christine or Kimball if you know any deal-making execs in these industries. We want to sell Again Technologies into these industries, get them using a customized corporate network for customer communication from ELetter and ensure their e-business sites run smoothly via Clairvoyant.

On a separate note, we are planning our first annual investor meeting for March of next year. It will be held in San Francisco with details to follow.

Thank you for your confidence and trust. We look forward to rocking your portfolio!

Best,



Kimball Atwood



Christine Comaford

cc: Artemis Ventures Fund Advisors