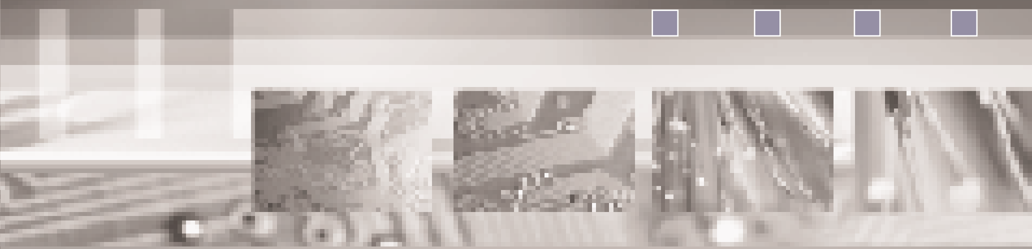
meVC Draper Fisher Jurvetson Fund I

ANNUAL REPORT

OCTOBER 31, 2001



Annual Report

Part I

Part II

Part III

Part IV

How to Invest*: Shares of the Fund trade on the New York Stock Exchange under the symbol MVC and may be purchased through a registered broker/dealer or investment advisor. If you don't have a financial advisor and would like to be put in contact with one who is familiar with the meVC Funds, please call us directly at 877-414-meVC [6382].

* This is neither an offer to sell securities nor a solicitation of an offer to buy of any Fund which may be associated with meVC.com. meVC.com is not a registered broker/dealer and may not sell, offer to sell or offer to buy any security.

MVC Listed NYSE

To Our Shareholders:

The second fiscal year of operation for the meVC Draper Fisher Jurvetson Fund I proved to be a difficult and challenging one. The public and private equity markets were considerably depressed, and most experts agree that the economy is experiencing a mild recession. Far more troubling, however, were the senseless acts of terrorism that our country endured on September 11, yielding a tragic loss of thousands of innocent lives and resulting in what will most likely be a protracted war on terrorism.

Nevertheless, we continue to pursue our objective of investing in private information technology companies with the potential for long-term growth and we remain confident that the economy and markets will recover, with the Fund poised to take advantage. Therefore it is with an optimistic outlook that we are pleased to present you with the second annual report of the meVC Draper Fisher Jurvetson Fund I, for the one-period ended October 31, 2001. In this report we have included comments regarding the Fund's performance, current portfolio and prospects for the future.

Fund Performance: It is our opinion that adverse market conditions during the reporting period, specifically negative sentiment toward technology stocks, were the major contributing factor to the Fund's disappointing market performance. The Fund's net asset value also depreciated during the period due to the markdown in value of several investments, as private companies witnessed a decline in valuations similar to that of public companies. The Fund benefited from these challenging market conditions, however, by investing in companies at attractive valuations while negotiating favorable protective provisions in the form of anti-dilution and liquidation preferences. Furthermore, many venture capitalists have been focusing on supporting their existing portfolio companies, which has diminished competition and allowed for a more involved due diligence process when reviewing potential investments. The Fund added six new companies to its portfolio during the reporting period, reflecting a more deliberate investment environment compared with the first fiscal year, in which 16 new companies were funded.

Portfolio Profile: We believe that the Fund's portfolio represents a well-diversified collection of private information technology companies, operating in sectors that include network security, IP telephony (voice over the Internet), eLearning and computer chip design verification software. Although the Fund focuses on mezzanine, or later-stage, investments, seed-stage financings such as Lumeta and expansion investments such as IQdestination have also been made. It is our belief that a venture portfolio diversified across business sectors as well as stages of development helps mitigate risk and offers the best opportunity for long-term capital gains. It is with this objective that we will continue to invest the Fund's remaining cash position.

Portfolio Highlights: We were very encouraged by the progress of the Fund's portfolio companies during the reporting period and have highlighted three positive company announcements to demonstrate the type of growth they are experiencing:

DataPlay, a developer of the universal media format for all things digital, announced an agreement with Imation Corp., a worldwide leader in data storage and information management. Imation will help manufacture DataPlay's quarter-sized 500 MB micro-optical discs that support both user-recorded and secure prerecorded content. DataPlay has also signed content deals with Universal Music Group, BMG Entertainment and the EMI Group, effectively securing endorsements from three of the top five music companies.

Lumeta Corporation, a network management and security solutions company, announced that two leading financial institutions contracted for Lumeta Network Discovery services. One client is a top-ranked investment banking and securities firm currently in the throes of integrating its network following an acquisition. The second firm is now a global financial powerhouse following the union of two of the world's largest banking institutions.

Sonexis, a provider of voice information access and transaction solutions, announced a partnership with Proactive Technology Limited (HKSE: 8089), the leading telecommunications and computer telephony technology provider in the Asia Pacific region. The recent launch of Sonexis' Asia Pacific operations has allowed the two companies to further their long-term development relationship by jointly penetrating with voice solutions the rapidly growing markets of greater China and the Pacific Rim.

Outlook: Looking forward we are optimistic about the venture capital investment climate as well as the Fund's market opportunities in the coming year. The Fund has a significant cash position that remains to be invested in private equity, in what we consider an opportune time. As for the Fund's existing portfolio companies, we anticipate continued growth and new product development over the next year. We are also confident that the market for initial public offerings will improve, creating potential liquidity events for the Fund's portfolio of promising young companies.

Over the course of the reporting period, we continued to implement what we believe to be a sound and traditional venture capital investment strategy. Although turmoil in the public markets has been a major factor in the Fund's current discounted market price, such conditions have also provided opportunities that we feel will ultimately reward the patient shareholder.

Thank you for your continued support of the Fund.

Sincerely,

John M. Grillos
Chairman and CEO

Peter S. Freudenthal
Vice-Chairman

PORTFOLIO SUMMARY

TOP 10 EQUITY HOLDINGS[1]

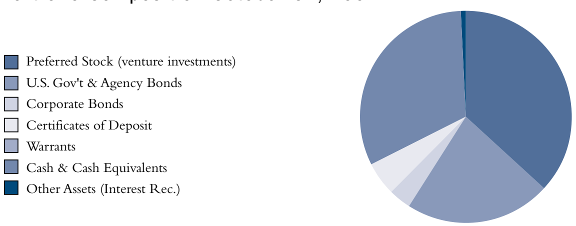
October 31, 2001

Holding	Percent of Net Assets	Description	Amount Invested (in thousands)
Pagoo, Inc. [2]	4.54%	Internet telephony services	$ 11,543.00
Sonexis, Inc. [3]	3.93%	IP-based communications services	$ 10,000.00
Folio*fn*, Inc.	2.95%	Customized investment portfolios	$ 7,500.00
DataPlay, Inc.	2.95%	Digital Content Storage	$ 7,500.00
Ishoni Networks, Inc.	2.95%	Broadband communications software and hardware	$ 7,500.00
*info*USA.com, Inc.	2.65%	Database marketing and sales solutions	$ 6,750.00
Endymion Systems, Inc.	2.06%	Systems integration	$ 5,250.00
Actelis Networks, Inc.	1.96%	Broadband transport services over copper wire	$ 5,000.00
Cidera, Inc.	1.47%	Satellite-based broadband content distribution services	$ 3,750.00
EXP Systems, Inc.	1.47%	Expert advice network	$ 3,750.00

[1] As a percentage of net investment assets; [2] Includes Series C and D investments valued at $7.5 million and $4 million, respectively; [3] Sonexis, Inc. was formerly eYak, Inc.

PORTFOLIO CHARACTERISTICS

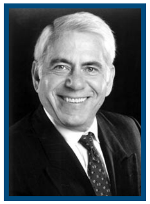
Portfolio Composition October 31, 2001*



Median Market Capitalization**	$	192,885,000
Net Investment Assets	$	254,471,556
Average Market Price***	$	11.69

* *Calculation is based upon information provided by State Street Bank & Trust as of October 31, 2001, for securities held in the portfolio.*
** *Median market capitalization is computed by multiplying the average market price by the number of shares outstanding.*
*** *Average market price based on NYSE closing prices from June 26, 2000 to October 31, 2001.*

JOHN M. GRILLOS is chairman, chief executive officer and portfolio manager of the meVC Draper Fisher Jurvetson Fund I (the "Fund"). John brings to the Fund more than 10 years of venture capital expertise and over 20 years of entrepreneurial, professional and managerial experience in the information technology industry.



Q: How would you rate the performance of the meVC Draper Fisher Jurvetson Fund I over the past year?

We continue to rate performance in two ways: market price performance and investment performance.

With regard to market performance, the Fund experienced volatile market conditions that led to a disappointing year. Such was also the case for most technology companies and technology-focused funds. Although the Fund has no exact comparables based on structure and investment mandate in the public markets, it should be noted that for the 12-month period ended October 31, 2001, the Fund's market price fell 17.26%, whereas the Nasdaq dropped 49.68%.

The past year was also a difficult period for the venture capital (VC) industry in terms of investment performance. Valuations, liquidity opportunities and the economy in general have been fundamentally altered, and the VC industry is still adjusting to those changes. Still we are pleased with the growth of our portfolio companies and remain optimistic about the future of the Fund. During the past fiscal year, the investment staff has spent a considerable amount of time working with existing portfolio companies and has made six new investments, with a number of others in review. We believe that after having already absorbed much of the tech market correction, the current market environment provides the Fund with a number of attractive investment opportunities at lower valuations conducive to generating positive returns for our investors.

Q: How has the tragedy surrounding the September 11 attacks affected the private equity markets?

In the wake of September 11, 2001, uncertainty in the economy has been a significant factor in both the private and public market sectors. The private equity markets largely shut down in the initial weeks following the attacks. Private-company valuations have also declined, although it is unclear if this is a result of the terrorist attacks or a reflection of the general changes in the stock market and the U.S. economy that have been working valuations down all year.

Q: How have you sought to minimize the Fund's risk?

In light of the past year's difficult economic and public market conditions, we have been particularly sensitive to the cash usage of companies we consider for investment. We make sure to invest in rounds that are large enough to give a company a significant financial cushion. The Fund also insists on co-investing with other funds that have sufficient capital to support a company should a new, unexpected financing event occur before the company is cash-flow positive. Syndication with other investors, in terms of both sourcing new deals and performing diligence on them, has always been an important aspect of minimizing the inherent risks of venture capital investing. We feel that by working with other liquid VC funds, our portfolio companies are more likely to have access to additional capital should they require it.

These steps are in addition to the risk mitigation methods employed by the Fund since its inception, namely, diversifying the portfolio across a variety of business sectors and investing in companies of different maturities.

Q: What is the outlook for the companies whose valuations have been marked down since their investment date?

As a result of the market corrections over the past 18 months, a vast majority of expansion and mezzanine financings are being completed at valuations significantly lower than their previous rounds, independent of company prospects. While this has been the case for some of the Fund's portfolio companies, others have been written down as a result of negative developments affecting future growth potential, or because they lack fully funded business plans and will most likely require additional financing. The substantially reduced market capitalizations of comparable public companies have also contributed to some portfolio companies' being marked down. Whatever the reason, it would be inaccurate to draw material conclusions regarding the outlook for a specific company based on the fact that the Fund has written it down. Rather, the write-downs are more a reflection of the probable current value of certain investments being less, in the Fund's perspective, than they were at the time we originally made an investment.

Q: Why has the pace of investments made in the Fund gradually slowed over the past year, and will this trend continue in 2002?

This has been a year of great uncertainty in the venture capital market and a period in which greater focus was placed on working with current portfolio companies than on making new investments. Markets were volatile in 2001, and valuations dropped on a monthly basis. As such we thought it prudent to slow our investment pace until valuations bottomed out, focusing more on helping current portfolio companies weather the economic storm.

Looking forward we expect to substantially increase our pace of investments in 2002, as valuations appear to have reached bottom. We feel that the current VC environment is conducive to solid long-term gains for shareholders on future investments.

Q: What type of management assistance do you offer to the companies in which you have invested?

In some cases Fund personnel maintain board seats through which they perform the commonly associated fiduciary duties of board members, including management and financial oversight, and protection of shareholder interests. Even in the cases where Fund representatives are not directors, we work with the portfolio companies' management and boards of directors to assist with strategy, cost reductions and introductions to partners and customers. Another important value-add of the Fund is helping portfolio companies gain exposure to both Wall Street and the media.

Q: Which new sectors are you currently evaluating to find emerging investment opportunities, and why?

Nanotechnology is a new area of interest for the Fund and one that has the potential to create a technology revolution larger than that caused by the electronics industry over the past 30 years. The members of the DFJ Affiliate Network have been early investors in this emerging field, and we believe that the Fund can leverage the expertise the network has gained thus far. The Fund is also actively investigating investments in companies developing new generations of enterprise software, such as Web services and business process management, as the capital requirements for software companies are relatively low and the valuations are attractive. The Fund also continues to pursue investment opportunities in select telecommunications systems and components, storage, wireless and semiconductor companies targeting market niches with good growth prospects.

Q: Looking toward 2002, what is your outlook for the tech sector and the Fund? What major trends do you see shaping the sector going forward?

We believe that we are near the bottom of the recession in the tech sector. Although private-company valuations declined throughout most of the year, they have begun to stabilize during the fourth quarter of 2001. We expect a slow recovery in technology beginning late in the second quarter of 2002, fueled by improving consumer confidence and a return to corporate spending. Earnings and revenue growth should also accelerate in the second half of 2002, improving public equity markets and creating renewed interest in initial public offerings (IPOs).

We expect that the Fund will be able to invest at attractive valuations through the first half of 2002 and that an improved market for IPOs will create liquidity events in the portfolio in the second half of the year. In the meantime the Fund will continue to seek out, evaluate and invest in promising young companies while working with current portfolio companies to create value in preparation for the ultimate goal of reaching the public markets.

"...the current market environment provides the Fund with a number of attractive investment opportunities at lower valuations conducive to generating positive returns for our investors." –John M. Grillos

Q: Why should an individual investor continue to hold shares of the meVC DFJ Fund I?

It is our belief that the Fund is very well positioned to capitalize on the current opportunities in the venture capital industry. Valuations are significantly lower than they have been in the past several years, and the Fund's uninvested cash affords it a strong competitive position.

Q: Can you comment on some of the Fund's investments and what they add to the portfolio?

0-In Design Automation, the Fund's latest investment, develops electronic design automation (EDA) software to help verify the designs of multi-million gate integrated circuits. The company has a very seasoned management team as well as a blue-chip customer base that includes Intel, Sun and AMD. The 0-In investment gives the Fund exposure to the semiconductor industry and plays to the well-established trend of increasing complexity of design verification for integrated circuits. The company's low burn rate and horizontal nature–meaning that the company's products are applicable to virtually any complex integrated circuit design–make it a very appealing investment.

Actelis Networks, in which the Fund invested in May 2001, enables telecommunications carriers and service providers to deliver high-speed, high-quality broadband services over the copper-wire infrastructure. By leveraging its existing copper networks, Actelis enables its customers to avoid the high costs associated with fiber-optic network build-out, while offering new revenue-generating services with considerably improved time-to-market. Actelis Networks provides the Fund with exposure to the continuing growth of the Internet, as well as the increasing demand for data services. We believe that the company's technology is particularly appealing in times of decreasing capital expenditure budgets, which allows the Fund to participate in these markets with less risk from overall economic conditions.

DataPlay, another new addition to the portfolio, has developed a unique technology that substantially improves the capacity for storing and distributing digital content. About the size of a quarter, DataPlay's digital media are 500 MB micro-optical discs that support both user-recorded and secure pre-recorded content. One 500 MB digital medium can hold more than 11 hours of music downloads or five complete prerecorded albums of CD-quality music, hundreds of high-resolution photographs or dozens of games. We believe that the company's innovative technology, strong management team and solid strategic partners will help establish DataPlay as a leader in a very large and growing market for digital storage media.

We feel that each of these investments provides the potential for positive returns to our shareholders while helping diversify the Fund's portfolio across a number of market opportunities.

* Past performance is no guarantee of future results.

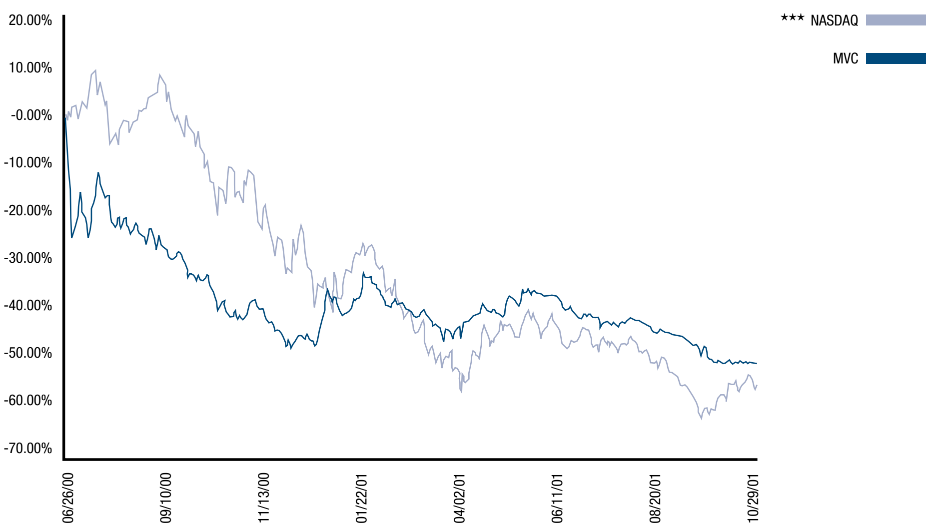
PERFORMANCE

FUND STATISTICS

Net Asset Value, March 31, 2000	$	18.88
Net Asset Value, October 31, 2001	$	15.42
Market Price, June 26, 2000	$	19.25
Market Price, October 31, 2001	$	9.25
Median Market Capitalization	$	192,885,000
Average Market Price	$	11.69

MVC PERFORMANCE RESULTS*

June 26, 2000 –October 31, 2001**



* Past performance is no guarantee of future results.
** The Fund's shares began trading on the NYSE on June 26, 2000.
*** The NASDAQ Composite Index is an unmanaged benchmark that assumes the reinvestment of dividends and excludes the effect of fees and sales charges.

ITEM 1. BUSINESS

meVC Draper Fisher Jurvetson Fund I, Inc. (the "Fund") is a Delaware Corporation that seeks to achieve capital appreciation principally by making investments in equity and equity-oriented securities issued by privately-owned companies in transactions negotiated directly with such companies ("Portfolio Companies"). The Fund seeks to make venture capital investments in information technology companies, primarily in the Internet, e-commerce, telecommunications, networking, software and information services industries. The Fund's investments in Portfolio Companies will consist principally of equity securities such as common and preferred stock, but may also include other equity-oriented securities such as debt convertible into common or preferred stock or debt combined with warrants, options or other rights to acquire common or preferred stock. Current income is not a significant factor in the selection of Portfolio Company investments. The Fund has elected to be treated as a business development company under the Investment Company Act of 1940, as amended ("the Investment Company Act").

The Fund has five directors. Three of the directors are disinterested individuals (the "Independent Directors") as defined by the Investment Company Act. The directors are responsible for providing overall guidance and supervision of the Fund, approving the valuation of the Fund's investments and performing various duties imposed on directors of a business development company by the Investment Company Act. Among other things, the Independent Directors supervise the management arrangements for the Fund, the custody arrangements with respect to portfolio securities, the selection of independent public accountants, fidelity bonding and any transactions with affiliates.

The Fund has engaged meVC Advisers, Inc., a Delaware Corporation (the "Adviser", "meVC Advisers"), to provide certain management and administrative services necessary for the operation of the Fund. The Adviser is a wholly-owned subsidiary of meVC.com, Inc., a Delaware Corporation ("meVC.com"). The largest investor in meVC.com is the Draper Fisher Jurvetson Fund VI, L.P.

Subject to the supervision of the directors, the Adviser performs services necessary for the operations of the Fund. Subject to the supervision of the directors, the Adviser has arranged for third parties to perform the management, administrative, investment sub-advisory and other services necessary for the operations of the Fund. The Adviser has engaged Draper Fisher Jurvetson MeVC Management Co., LLC, a Delaware Corporation (the "Sub-Adviser", "Draper Advisers"), to identify, evaluate, structure, monitor, and dispose of the Fund's investments in Portfolio Companies. The Adviser has engaged Fleet Investment Advisors, Inc. (the "Short-Term Money Manager"), to manage the Fund's cash and short-term, interest-bearing investments. The Adviser has engaged State Street Bank and Trust Co, Inc. (the "Fund Administrator", the "Fund Accounting Agent", the "Custodian"), to handle all functions of administration, accounting, and custodial work necessary for the operations of the Fund. The Adviser provides the Fund, at the Adviser's expense, with the office space, facilities, equipment and personnel (whose salaries and benefits are paid by the Adviser) necessary to enable the Fund to conduct the operational aspects of its business. The Sub-Adviser provides the Fund, at the Sub-Adviser's expense, with the office space, facilities, equipment and personnel (whose salaries and benefits are paid by the Sub-Adviser) necessary to enable the Fund to conduct the investment management aspects of its business.

The Adviser and its officers, the Sub-Adviser and its officers, and the officers of the Fund are collectively referred to herein as "Management". The Fund's principal office is located at 991 Folsom Street, San Francisco, California 94107, and the telephone number is (877) 474-6382.

Investment Practices

Substantially all of the net assets of the Fund are invested or are intended to be invested in securities of Portfolio Companies. Substantially all amounts not invested in securities of Portfolio Companies are invested in short-term, highly liquid investments consisting of interest bearing certificates of deposit or securities issued or guaranteed as to interest and principal by the United States or by a person or entity controlled or supervised by and acting as an instrumentality of the government of the United States that have maturities of less than one year from the date of the investment or other short-term, highly liquid investment providing, in the opinion of Management, appropriate safety of principal.

The Fund's investments in Portfolio Companies are structured in private transactions negotiated directly with the owner or issuer of the securities acquired.

The Fund is concentrating its investment efforts on companies of a type and size that, in Management's view, provide opportunities for significant capital appreciation and prudent diversification of risk.

The Fund is attempting to reduce certain risks inherent in private equity-oriented investments by investing in a portfolio of companies involved in different sectors of the Information Technology industry. The Fund has limited its initial investment (whether in the form of equity or debt securities, commitments to purchase securities or debt guaranties) in any Portfolio Company to no more than 5% of the Fund's net assets. However, if a follow-on investment is available or required, as discussed below, the Fund's investment in a particular Portfolio Company may exceed those initial investment limitations. Also, investments in certain Portfolio Companies may be in excess of the Fund's initial investment limitations due to increases in the value of such investments.

Investment Criteria

Prospective investments are evaluated by Management based upon criteria that may be modified from time to time. The criteria currently being used by Management in determining whether to make an investment in a prospective Portfolio Company include:

- The presence or availability of strong management teams;
- Favorable industry and competitive dynamics;
- Markets characterized by rapid growth and new product adaptation.

Co-Investments

The Fund has co-invested in certain Portfolio Companies with its affiliates in the Draper Fisher Jurvetson network (the "Draper Network"). The Fund and Management obtained an order from the Securities and Exchange Commission (the "SEC") exempting the Fund from certain prohibitions contained in the Investment Company Act relating to co-investments by the Fund and the Draper Network. Under the terms of the order, Portfolio Companies purchased by the Fund and the Draper Network are required to be approved by the Independent Directors and are required to satisfy certain conditions established by the SEC.

Investment Operations

The investment operations of the Fund consist principally of the following basic activities:

<u>Identifying Investments</u> - Investment opportunities are identified for the Fund by the members and staff of Draper Advisers. Investment proposals may, however, come to the Fund from many other sources, and may include unsolicited proposals from the public and from referrals from banks, lawyers, accountants and other members of the financial community.

<u>Evaluating Investment Opportunities</u> - Prior to committing funds to an investment opportunity, due diligence is conducted to assess the prospects and risks of the potential investment. See "Investment Criteria" above.

<u>Structuring Investments</u> - Portfolio Company investments typically are negotiated directly with the prospective Portfolio Company or its affiliates. Draper Advisers structures the terms of a proposed investment, including the purchase price, the type of security to be purchased and the future involvement of the Fund and affiliates in the Portfolio Company's business (including potential representation on its board of directors). Draper Advisers seeks to structure the terms of the investment so as to provide for the capital needs of the Portfolio Company and at the same time maximize the Fund's opportunities for capital appreciation in its investments.

<u>Providing Management Assistance and Monitoring of Investments</u> - Private equity investors often assist Portfolio Companies with various aspects of their business operations. In some cases, officers of the Fund serve as members of the board of directors of Portfolio Companies. The Fund often provides guidance and management assistance to Portfolio Companies with respect to such matters as budgets, profit goals, business and financing strategy, management additions or replacements and plans for liquidity events for Portfolio Company investors such as a merger or initial public offering.

Current Portfolio Companies

ACTELIS NETWORKS, INC.

Actelis Networks, Inc. ("Actelis"), Fremont, California, enables telecommunications carriers and service providers to deliver high-speed, high-quality broadband services over the existing copper wire infrastructure. At October 31, 2001, the Fund's investment in Actelis, valued at approximately $5,000,000 with a cost of approximately $5,000,000, consisted of 1,506,025 shares of Series C Convertible Preferred Stock at $3.32 per share.

ANNUNCIO SOFTWARE, INC.

Annuncio Software, Inc. ("Annuncio"), Mountain View, California, provides customer relationship software that allows companies to market their products more effectively to their consumers. This software enables companies to manage their interactions with customers through email, and their Web site, as well as more traditional channels and also allows companies to proactively engage existing and prospective customers by delivering them personalized information and marketing offers. At October 31, 2001, the Fund's investment in Annuncio, valued at $3,750,000 with a cost of $5,000,000, consisted of 625,000 shares of Series E Convertible Preferred Stock at $6.00 per share.

AUCTIONWATCH.COM, INC.

AuctionWatch.com, Inc. ("AuctionWatch"), San Bruno, California, has developed an e-commerce platform that enables businesses of all sizes to benefit from dynamic pricing environments in addition to typical fixed price channels. The company's services provide businesses with the tools necessary to efficiently distribute merchandise and acquire customers, while providing a convenient service for customers to locate and purchase these products. At October 31, 2001, the Fund's investment in AuctionWatch, valued at approximately $2,320,000 with a cost of $5,500,000, consisted of 1,047,619 shares of Series C Convertible Preferred Stock at $2.2148 per share.

BLUESTAR SOLUTIONS, INC. (formerly eOnline, Inc.)

BlueStar Solutions, Inc. ("BlueStar"), Cupertino, California, is a provider of applications outsourcing services. The company designs, manages and delivers software solutions for its customers. BlueStar also provides consulting, customer support, and maintenance services using the SAP business applications platform. At October 31, 2001, the Fund's investment in BlueStar, valued at approximately $2,500,000 with a cost of approximately $10,000,000, consisted of 1,360,544 shares of Series C Convertible Preferred Stock at $1.8375 per share. The Fund also received 136,054 warrants to purchase 136,054 shares of Series C Preferred Stock at a purchase price of $7.35 per share (as adjusted). The warrants expire at the earlier of (i) May 26, 2003 or (ii) BlueStar's Qualified Initial Public Offering ("Qualified IPO").

CIDERA, INC.

Cidera, Inc. ("Cidera"), Laurel, Maryland, is an international leader in the satellite delivery of broadband content to the Internet. Cidera uses high-speed satellite technology designed to transport high-bandwidth data faster, more reliably, and more efficiently to ISPs and DSL and Cable access providers. At October 31, 2001, the Fund's investment in Cidera, valued at approximately $3,750,000 with a cost of approximately $7,500,000, consisted of 857,192 shares of Series D Convertible Preferred Stock at $4.3748 per share.

DATAPLAY, INC.

DataPlay, Inc. ("DataPlay"), Boulder, Colorado, is developing new ways of enabling consumers to record and play digital content. At October 31, 2001, the Fund's investment in DataPlay, valued at approximately $7,500,000 with a cost of approximately $7,500,000, consisted of 2,500,000 shares of Series D Convertible Preferred Stock at $3.00 per share.

ENDYMION SYSTEMS, INC.

Endymion Systems ("Endymion Systems"), Oakland, California, helps clients migrate their existing businesses and business systems to the Internet. Endymion provides comprehensive guidance for clients through services ranging from Web strategy consulting to Web site design and implementation. Their main focus is on the back-end, namely integrating a business's ERP (enterprise resource planning) systems as well as older systems with Web-based technologies. At October 31, 2001, the Fund's investment in Endymion Systems, valued at approximately $5,250,000 with a cost of approximately $7,000,000, consisted of 7,156,760 shares of Series A Convertible Preferred Stock at $.7336 per share.

EXP SYSTEMS, INC.

EXP Systems, Inc. ("EXP"), Menlo Park, California, provides enterprise software that helps companies improve sales and service through their Web sites by enabling buyers to engage with real people in real time who can assist them in answering questions and making purchase decisions. At October 31, 2001, the Fund's investment in EXP, valued at approximately $3,750,000 with a cost of approximately $10,000,000, consisted of 1,748,252 shares of Series C Convertible Preferred Stock at $2.145 per share.

FOLIO*fn*, Inc.

FOLIO*fn*, Inc. ("FOLIO*fn*"), Vienna, Virginia, together with its wholly owned brokerage subsidiary FOLIO*fn* Investments, Inc., is harnessing the power of the Internet to enable individual and smaller institutional investors to invest and trade better, smarter, and easier. FOLIO*fn*'s first product, FOLIO Investing, offers a whole new way to invest and trade, combining many of the best qualities of mutual funds, traditional brokerage services, and on-line trading. FOLIO Investing, lets investors buy and sell personalized baskets of stocks - known as "FOLIOs". At October 31, 2001, the Fund's investment in FOLIO*fn*, valued at $7,500,000 with a cost of $15,000,000, consisted of 5,802,259 shares of Series C Convertible Preferred Stock at $1.2926 per share. Mr. Grillos, the Chief Executive Officer of the Fund, serves as a director of FOLIO*fn*.

INFOIMAGE, INC.

InfoImage, Inc. ("InfoImage"), Phoenix, Arizona, helps companies increase their decision-making efficiency with intranet/extranet solutions using Web and collaborative technologies. InfoImage's decision portal software product allows access to structured and unstructured data, advanced personalization, intuitive search, business intelligence and collaboration tools. At October 31, 2001, the Fund's initial investment in InfoImage, valued at $0.00 with a cost of $2,004,480, consisted of 933,120 shares of Common Stock (exchanged from 432,000 shares of Series C Convertible Preferred Stock) at $0.00 per share. The Fund also received 259,200 warrants to purchase 259,200 shares of Common Stock. The warrants expire at the earlier of (i) June 2, 2010 or (ii) InfoImage's Qualified Initial Public Offering ("Qualified IPO"). At October 31, 2001, the Fund's subsequent investment in InfoImage, valued at $352,210 with a cost of $352,210, consisted of 11,740,340 shares of Series AA Convertible Preferred Stock (converted from a Convertible Promissory Note plus accrued interest) at $0.03 per share. The Fund also received 92,663,933 warrants to purchase 92,663,933 shares of Common Stock. The warrants expire on June 14, 2006.

*info*USA.COM, INC.

*info*USA.com, Inc. ("*info*USA.com"), Foster City, California, provides comprehensive and accurate directory information plus targeted mailing lists for Internet and wireless users. The *info*USA.com site provides customizable sales leads, business and consumer information and database marketing services that enable businesses to compete more effectively. At October 31, 2001, the Fund's investment in *info*USA.com, valued at approximately $6,750,000 with a cost of approximately $10,000,000, consisted of 2,145,922 shares of Series B Convertible Preferred Stock at $3.1455 per share.

IQDESTINATION

IQdestination, Boulder, Colorado, facilitates IT training for corporate clients by performing all of the tasks normally associated with technical education: locating the training, negotiating the best price, and evaluating the best ways to achieve specific training goals. At October 31, 2001, the Fund's initial investment in IQdestination, valued at $816,500 with a cost of $2,300,000, consisted of 1,150,000 shares of Series B Convertible Preferred Stock at $0.71 per share. At October 31, 2001, the Fund's subsequent investment in IQdestination, valued at $920,000 with a cost of $920,000, consisted of 1,295,775 shares of Series C Convertible Preferred Stock at $0.71 per share. V. Frank Mendicino III, non-managing member of Draper Advisers, serves as a director of IQdestination.

ISHONI NETWORKS, INC.

Ishoni Networks, Inc. ("Ishoni"), Santa Clara, California, is a developer of highly integrated broadband platforms that allow Original Equipment Manufacturers (OEMs) and service providers to offer secure voice and Internet services over a single broadband connection to residential and business customers. At October 31, 2001, the Fund's investment in Ishoni, valued at approximately $7,500,000 with a cost of approximately $10,000,000, consisted of 2,003,607 shares of Series C Convertible Preferred Stock at $3.7433 per share.

LUMETA CORPORATION

Lumeta Corporation ("Lumeta"), Somerset, New Jersey, is a developer of network management, security, and auditing solutions. The company provides businesses with a comprehensive analysis of their network security that reveals the vulnerabilities and inefficiencies of their corporate intranets. The company also facilitates network optimization and IT management during integration processes such as mergers. At October 31, 2001, the Fund's investment in Lumeta, valued at $250,000 with a cost of $250,000, consisted of 384,615 shares of Series A Convertible Preferred Stock at $0.65 per share. Ross H. Goldstein, non-managing member of Draper Advisers, serves as a director of Lumeta.

MEDIAPRISE, INC.

MediaPrise, Inc. ("MediaPrise"), Austin, Texas, facilitates the complete integration of brand and product marketing information for corporations via the Internet. MediaPrise brings structure to the information distribution process through the creation of a consistent branding and product-marketing platform for its clients. At October 31, 2001, the Fund's investment in MediaPrise, valued at approximately $2,000,000 with a cost of approximately $2,000,000, consisted of 2,196,193 shares of Series A Convertible Preferred Stock at $0.9107 per share. John E. Campion, non-managing member of Draper Advisers, serves as a director of MediaPrise.

PAGOO, INC.

Pagoo, Inc. ("Pagoo"), San Francisco, California, is a leading provider of comprehensive Internet Protocol (IP)-based voice solutions. The applications that Pagoo has developed and patented are the first to make voice-over-IP a true alternative to voice over traditional telephone networks. At October 31, 2001, the Fund's initial investment in Pagoo, valued at $7,542,661 with a cost of approximately $10,000,000, consisted of 3,412,969 shares of Series C Convertible Preferred Stock at $2.21 per share. At October 31, 2001, the Fund's subsequent investment in Pagoo, valued at $4,000,000 with a cost of approximately $4,000,000, consisted of 2,098,636 shares of Series D Convertible Preferred Stock at $1.906 per share. Nino Marakovic, Partner of Draper Advisers, serves as a director of Pagoo.

PERSONIC SOFTWARE, INC.

Personic Software, Inc. ("Personic"), Brisbane, California, provides marketplace and ebusiness solutions which afford the communications and transaction infrastructure to enable organizations and staffing agencies to attract, qualify, hire and retain a superior workforce. At October 31, 2001, the Fund's initial investment in Personic, valued at $0.00 with a cost of approximately $10,000,000, consisted of 512,296 shares of Series F Convertible Preferred Stock at $0.00 per share. The Fund's subsequent investment in Personic, valued at $0.00 with a cost of approximately $760,460, consisted of 38,958 shares of Series G1 Convertible Preferred Stock at $0.00 per share. The Fund also received 973,950 warrants to purchase 973,950 shares of Common Stock. The warrants expire on October 31, 2005.

PROCESSCLAIMS

ProcessClaims ("ProcessClaims"), Redondo Beach, California, provides Web-based solutions and value added services that streamline the automobile claims process for the insurance industry and its partners. At October 31, 2001, the Fund's investment in ProcessClaims, valued at approximately $2,000,000 with a cost of approximately $2,000,000, consisted of 6,250,000 shares of Series C Convertible Preferred Stock at $0.32 per share. Peter Freudenthal, Vice-Chairman and President of the Fund, serves as Chairman of the Board of ProcessClaims.

SAFESTONE TECHNOLOGIES PLC

SafeStone Technologies PLC ("SafeStone"), Old Amersham, UK, provides their corporate clients with network security solutions. SafeStone's comprehensive suite of auditing, data and system management software products allows an enterprise to monitor and protect its network while identifying areas of security exposure. At October 31, 2001, the Fund's investment in SafeStone, valued at approximately $2,624,000 with a cost of approximately $3,500,000, consisted of 650,401 shares of Series A Convertible Preferred Stock at $4.035 per share.

SHOPEAZE SYSTEMS, INC.

ShopEaze Systems, Inc. ("ShopEaze"), Sunnyvale, California, partners with established retailers to help them build online businesses to complement their existing brick-and-mortar businesses. ShopEaze's suite of comprehensive services helps its partners' customers to enjoy the experience and convenience of shopping online with their local, trusted retailers. At October 31, 2001, the Fund's investment in ShopEaze, valued at $2,250,000 with a cost of $6,000,000, consisted of 2,097,902 shares of Series B Convertible Preferred Stock at $1.0725 per share.

SONEXIS, INC. (formerly eYak, Inc.)

Sonexis, Inc. ("Sonexis"), Boston, Massachusetts, is a leading global provider of voice solutions for enterprise customers and service providers that enable anytime, anywhere transactions and information access. Its product and services reduce the cost, time-to-market, and complexity of developing these solutions, which currently include enterprise and consumer voice portals, enhanced self-service, voice commerce, and voice-enabled Customer Relationship Management. At October 31, 2001, the Fund's investment in Sonexis, valued at approximately $10,000,000 with a cost of approximately $10,000,000, consisted of 2,590,674 shares of Series C Convertible Preferred Stock at $3.86 per share.

YAGA, INC.

Yaga, Inc. ("Yaga"), Foster City, California, is developer of peer-to-peer networking technology. This technology provides the infrastructure that companies of all sizes need to acquire and communicate with their customers in a secure and efficient environment. At October 31, 2001, the Fund's investment in Yaga, valued at approximately $600,000 with a cost of approximately $300,000, consisted of 300,000 shares of Series A Convertible Preferred Stock at $2.00 per share. At October 31, 2001, the Fund's subsequent investment in Yaga, valued at approximately $2,000,000 with a cost of approximately $2,000,000, consisted of 1,000,000 shares of Series B Convertible Preferred Stock at $2.00 per share and 100,000 warrants valued at $0.00 per share. The warrants expire on June 8, 2004.

Temporary Investments

Pending investment in Portfolio Companies, the Fund invests its available funds in interest-bearing bank accounts, money market mutual funds, U.S. Treasury securities and/or certificates of deposit with maturities of less than one year (collectively, "Temporary Investments"). Temporary Investments may also include commercial paper and other short-term securities. Temporary Investments constituting cash, cash items, securities issued or guaranteed by the U.S. Treasury or U.S. Government agencies and high quality debt securities (commercial paper rated in the highest rating category by Moody's Investor Services, Inc. or Standard and Poor's Corporation) will qualify in determining whether the Fund has 70% of its total assets invested in Managed Companies (as hereafter defined) or in qualified Temporary Investments for purposes of the business development company provisions of the Investment Company Act. See "Regulation" below.

Follow-On Investments

Following its initial investment in a Portfolio Company, the Fund may be requested to make follow-on investments in the company. Follow-on investments may be made to take advantage of warrants or other preferential rights granted to the Fund or otherwise to increase the Fund's position in a successful or promising Portfolio Company. The Fund may also be called upon to provide additional equity or loans needed by a Portfolio Company to fully implement its business plans, to develop a new line of business or to recover from unexpected business problems.

Disposition of Investments

The method and timing of the disposition of the Fund's portfolio investments is critical to the realization of capital appreciation and to the minimization of any capital losses. The Fund expects to dispose of its portfolio securities through a variety of transactions, including sales of portfolio securities in underwritten public offerings, public sales of such securities and negotiated private sales of such securities to other investors. The Fund bears the costs of disposing of investments to the extent not paid by a Portfolio Company.

Operating Expenses

The Adviser, at its expense, provides the Fund with office space, facilities, equipment and personnel (whose salaries and benefits are paid by the Adviser) necessary to conduct the Fund's business. The Adviser has agreed to pay certain expenses relating to the

Fund's operations, including fees and expenses of the Independent Directors; fees of unaffiliated transfer agents, registrars and disbursing agents; legal and accounting expenses; costs of printing and mailing proxy materials and reports to shareholders; New York Stock Exchange fees; custodian fees; litigation costs; costs of disposing of investments including brokerage fees and commissions; and other extraordinary or non-recurring expenses and other expenses properly payable by the Adviser. The Fund is responsible for paying the Management Fee to the Adviser.

Valuation

Investments in Portfolio Companies are carried at fair value with the net change in unrealized appreciation or depreciation included in the determination of net assets. Cost is used to approximate fair value of these investments until significant developments affecting an investment provide a basis for valuing such investment at a number other than cost.

The fair value of investments for which no market exists and for which our Board of Directors has determined that the original cost of the investment is no longer an appropriate valuation will be determined on the basis of procedures established in good faith by the Board of Directors. Valuations will be based upon such factors as the financial and/or operating results of the most recent fiscal period, the performance of the company relative to planned budgets/forecasts, the issuer's financial condition and the markets in which it does business, the prices of any recent transactions or offerings regarding such securities or any proxy securities, any available analysis, media, or other reports or information regarding the issuer, or the markets or industry in which it operates, the nature of any restrictions on disposition of the securities and other analytical data. In the case of unsuccessful operations, the valuation may be based upon anticipated liquidation proceeds.

Because of the inherent uncertainty of the valuation of portfolio securities which do not have readily ascertainable market values, the Fund's estimate of fair value may significantly differ from the fair market value that would have been used had a ready market existed for the securities. Appraised values do not reflect brokers' fees or other normal selling costs which might become payable on disposition of such investments.

Investments in companies whose securities are publicly traded are valued at their quoted market price, less a discount to reflect the estimated effects of restrictions on the sale of such securities ("Valuation Discount"), if applicable.

Short-term investments having maturities of 60 days or less are stated at amortized cost, which approximates fair value. Other fixed income securities are stated at fair value. Fair value of these securities is determined at the most recent bid or yield equivalent from dealers that make markets in such securities.

The directors review the valuation policies on a quarterly basis or more frequently if deemed necessary to determine their appropriateness and may also hire independent firms to review the Adviser's methodology of valuation or to conduct an independent valuation.

Custodian

The Fund has entered into an agreement with State Street Bank and Trust Company to act as the custodian with respect to the safekeeping of its securities. The principal business office of the custodian is 225 Franklin Street, Boston, Massachusetts, 02110.

Transfer Agent and Disbursing Agent

The Fund employs EquiServe as its transfer agent to record transfers of the shares, maintain proxy records and to process distributions. The principal business office of such company is 150 Royall Street, Canton, Massachusetts, 02021.

Factors that May Affect Future Results, the Market Price of Common Stock, and the Accuracy of Forward-Looking Statements

In the normal course of its business, the Fund, in an effort to keep its stockholders and the public informed about the Fund's operations and portfolio of investments, may from time-to-time issue certain statements, either in writing or orally, that contain or may contain forward-looking information. Generally, these statements relate to business plans or strategies of the Fund or Portfolio Companies in which it invests, projected or anticipated benefits or consequences of such plans or strategies, projected or anticipated benefits of new or follow-on investments made by or to be made by the Fund, or projections involving anticipated purchases or sales of securities or other aspects of the Fund's operating results. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially. As noted elsewhere in this report, the Fund's operations and portfolio of investments are subject to a number of uncertainties, risks, and other influences, many of which are outside the control of the Fund, and any one of which, or a combination of which, could materially affect the results of the Fund's operations or net asset value, the market price of its common stock, and whether forward-looking statements made by the Fund ultimately prove to be accurate.

The following discussion outlines certain factors that in the future could affect the Fund's results for 2001 and beyond and cause them to differ materially from those that may be set forth in any forward-looking statement made by or on behalf of the Fund:

Long-Term Objective - The Fund is intended for investors seeking long-term capital growth. The Fund is not meant to provide a vehicle for those who wish to play short-term swings in the stock market. The Portfolio Companies acquired by the Fund generally require several or many years to reach maturity and generally are illiquid. An investment in shares of the Fund should not be considered a complete investment program. Each prospective purchaser should take into account their investment objectives as well as their other investments when considering the purchase of shares of the Fund.

Non-Diversified Status; Number of Investment - The Fund is classified as a "non-diversified" investment company under the Investment Company Act, which means the Fund is not limited in the proportion of its assets that may be invested in the securities of a single issuer. Generally, the Fund does not intend to initially invest more than 5% of the value of its net assets in a single Portfolio Company. However, follow-on investments or a disproportionate increase in the value of one Portfolio Company may result in greater than 5% of the Fund's net assets being invested in a single Portfolio Company. While these restrictions limit the exposure of the capital of the Fund in any single investment, to the extent the Fund takes large positions in the securities of a small number of issuers, the Fund will be exposed to a greater risk of loss and the Fund's net asset value and the market price of its common stock may fluctuate as a result of changes in the financial condition, the stock price of, or in the market's assessment of any single Portfolio Company to a greater extent than would be the case if it were a "diversified" company holding numerous investments. The Fund currently has investments in 22 Portfolio Companies, of which none exceed 5% of the net asset value.

Lack of Liquidity of Portfolio Investments - The portfolio investments of the Fund consist principally of securities that are subject to restrictions on sale because they were acquired from the issuer in "private placement" transactions or because the Fund is deemed to be an affiliate of the issuer. Generally, the Fund will not be able to sell these securities publicly without the expense and time required to register the securities under the Securities Act and applicable state securities law unless an exemption from such registration requirements is available. In addition, contractual or practical limitations may restrict the Fund's ability to liquidate its securities in Portfolio Companies since in many cases the securities of such companies will be privately held and the Fund may own a relatively large percentage of the issuer's outstanding securities. Sales may also be limited by securities market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity of the Fund's securities could preclude or delay any disposition of such securities or reduce the amount of proceeds that might otherwise be realized.

Need For Follow-On Investments in Portfolio Companies - After its initial investment in a Portfolio Company, the Fund may be called upon from time to time to provide additional funds to such company or have the opportunity to increase its investment in a successful situation, e.g., the exercise of a warrant to purchase common stock. There is no assurance that the Fund will make, or have sufficient funds to make, follow-on investments. Any decision by the Fund not to make a follow-on investment or any inability on its part to make such an investment may have a negative impact on a Portfolio Company in need of such an investment or may result in a missed opportunity for the Fund to increase its participation in a successful operation and may dilute the Fund's equity interest in or reduce the expected yield on its investment.

Competition for Investments – The Fund encounters competition from other persons or entities with similar investment objectives. These competitors include venture capital partnerships, investment partnerships and corporations, small business investment companies, large industrial and financial companies investing directly or through affiliates, other business development companies, foreign investors of various types and individuals. Many of these competitors have greater financial resources and more personnel than the Fund and may be subject to different and frequently less stringent regulation.

Loss of Conduit Tax Treatment – The Fund may cease to qualify for conduit tax treatment if it is unable to comply with the diversification requirements contained in Subchapter M of the Code. Subchapter M requires that at the end of each quarter (i) at least 50% of the value of the Fund's assets must consist of cash, government securities and other securities of any one issuer that do not represent more than 5% of the value of the Fund's total assets and 10% of the outstanding voting securities of such issuer, and (ii) no more than 25% of the value of the Fund's assets may be invested in the securities of any one issuer (other than United States government securities), or of two or more issuers that are controlled by the Fund and are engaged in the same or similar or related trades or businesses. If the Fund fails to satisfy such diversification requirements and ceases to qualify for conduit tax treatment, the Fund will be subject to income tax on its income and gains and stockholders will be subject to income tax on distributions. The Fund may also cease to qualify for conduit tax treatment, or be subject to a 4% excise tax, if it fails to distribute a sufficient portion of its net investment income and net realized capital gains.

Market Value and Net Asset Value – The shares of the Fund's common stock are listed on the NYSE. Investors desiring liquidity may trade their shares of common stock on the NYSE at current market value, which may differ from the then current net asset value (Shareholders' Equity). Shares of closed-end investment companies frequently trade at a discount from net asset value. This characteristic of shares of a closed-end fund is a risk separate and distinct from the risk that the Fund's net asset value will decrease. The risk of purchasing shares of a closed-end fund that might trade at a discount is more pronounced for investors who wish to sell their shares in a relatively short period of time because for those investors, realization of a gain or loss on their investments is likely to be more dependent upon the existence of a premium or discount than upon portfolio performance. The Fund's shares have traded at a significant discount to net asset value since they began trading. For information concerning the trading history of the Fund's shares see "Market for Registrant's Common Stock and Related Stockholder Matters."

Valuation of Investments – The Fund's net asset value is based on the value assigned to its portfolio investments. Investments in companies whose securities are publicly traded are valued at their quoted market price, less a discount to reflect the estimated effects of restrictions on the sale of such securities, if applicable. The Fund adjusts its net asset value for changes in the value of its publicly held securities, if any, on a daily basis. The value of the Fund's investments in securities for which market quotations are not available is determined as of the end of each fiscal quarter but monitored daily in case there is a significant event requiring a change in valuation in the interim. Cost is used to approximate fair value of such investments until significant developments affecting an investment provide a basis for use of an appraisal valuation. Thereafter, such portfolio investments are carried at appraised values as determined at least quarterly. Due to the inherent uncertainty of the valuation of portfolio securities which do not have readily ascertainable market values, the Fund's estimate of fair value may significantly differ from the fair value that would have been used had a ready market existed for the securities. At October 31, 2001, 100% of the preferred stocks in Portfolio Companies held by the Fund, representing approximately 35.73% of the Fund's net asset value, were invested in securities for which market quotations were not readily available. See "Valuation".

Possible Volatility of Stock Price – The market price of the Fund's common stock could be subject to significant fluctuations in response to variations in the net asset value of the Fund, its quarterly operating results, and other factors. The market price of the common stock may be significantly affected by such factors as the announcement of new or follow-on investments in Portfolio Companies, the sale or proposed sale of a portfolio investment, the results of operations or fluctuations in the market prices or appraised value of one or more of the Fund's Portfolio Companies, changes in earnings estimates by market analysts, speculation in the press or analyst community and general market conditions or market conditions specific to particular industries. From time to time in recent years, the securities markets have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies. These broad fluctuations may adversely affect the market price of the common stock. In addition, the Fund is subject to the risk of the securities markets in which the portfolio securities of the Fund are traded. Securities markets are cyclical and the prices of the securities traded in such markets rise and fall at various times. These cyclical periods may extend over significant periods of time.

Regulation

The Investment Advisers Act generally prohibits investment advisers from entering into investment advisory contracts with an investment company that provides for compensation to the investment adviser on the basis of a share of capital gains or capital appreciation of the portfolio investments or any portion of the funds of the investment company or pursuant to a stock option plan. The Investment Advisers Act, however, does permit the payment of compensation based on capital gains or the issuance of incentive stock options to management in an investment advisory contract between an investment adviser and a business development company. The Fund has elected to be treated as a business development company under the Investment Company Act. Accordingly, it has provided for incentive compensation to the Adviser based on the capital appreciation of the Fund's investments.

The Fund may not withdraw its election to be treated as a business development company without first obtaining the approval of a majority in interest of its shareholders. The following brief description of the Investment Company Act is qualified in its entirety by reference to the full text of the Investment Company Act and the rules thereunder.

A business development company must be operated for the purpose of investing in the securities of certain present and former "eligible Portfolio Companies" or certain bankrupt or insolvent companies and must make available significant managerial assistance to Portfolio Companies. An eligible Portfolio Company generally is a company that (i) is organized under the laws of, and has its principal place of business in, any state or states, (ii) is not an investment company and (iii)(a) does not have a class of securities registered on an exchange or included in the Federal Reserve Board's over-the-counter margin list, (b) is actively controlled by the business development company acting either alone or as part of a group acting together and an affiliate of the business development company is a member of the Portfolio Company's board of directors or (c) meets such other criteria as may be established by the SEC. Control is presumed to exist where the business development company owns more than 25% of the outstanding voting securities of a Portfolio Company.

"Making available significant managerial assistance" is defined under the Investment Company Act to mean (i) any arrangement whereby a business development company, through its directors, officers or employees, offers to provide and, if accepted, does provide significant guidance and counsel concerning the management, operations or business objectives or policies of a Portfolio Company or (ii) the exercise of a controlling influence over the management or policies of a Portfolio Company by the business development company acting individually or as part of a group of which the business development company is a member acting together which controls such company ("Managed Company"). A business development company may satisfy the requirements of clause (i) with respect to a Portfolio Company by purchasing securities of such a company as part of a group of investors acting together if one person in such group provides the type of assistance described in such clause. However, the business development company will not satisfy the general requirement of making available significant managerial assistance if it only provides such assistance indirectly through an investor group. A business development company need only extend significant managerial assistance with respect to Portfolio Companies which are treated as Qualifying Assets (as defined below) for the purpose of satisfying the 70% test discussed below.

The Investment Company Act prohibits or restricts the Fund from investing in certain types of companies, such as brokerage firms, insurance companies, investment banking firms and investment companies.

Moreover, the Investment Company Act limits the type of assets that the Fund may acquire to "Qualifying Assets" and certain assets necessary for its operations (such as office furniture, equipment and facilities) if, at the time of the acquisition, less than 70% of the value of the Fund's total assets consists of qualifying assets. Qualifying Assets include (i) securities of companies that were eligible Portfolio Companies at the time that the Fund acquired their securities; (ii) securities of companies that are actively controlled by the Fund; (iii) securities of bankrupt or insolvent companies that are not otherwise eligible Portfolio Companies; (iv) securities acquired as follow-on investments in companies that were eligible Portfolio Companies at the time of the Fund's initial acquisition of their securities but are no longer eligible Portfolio Companies, provided that the Fund has maintained a substantial portion of its initial investment in such companies; (v) securities received in exchange for or distributed on or with respect to any of the foregoing; and (vi) cash items, government securities and high-quality, short-term debt. The Investment Company Act also places restrictions on the nature of the transactions in which, and the persons from whom, securities can be purchased in order for such securities to be considered Qualifying Assets. As a general matter, Qualifying Assets may only be purchased from the issuer or an affiliate in a transaction not constituting a public offering. The Fund may not purchase any security on margin, except such short-term credits as are necessary for the clearance of portfolio transactions, or engage in short sales of securities.

The Fund is permitted by the Investment Company Act, under specified conditions, to issue multiple classes of senior debt and a single class of preferred stock senior to the common stock if its asset coverage, as defined in the Investment Company Act, is at least 200% after the issuance of the debt or the senior stockholders' interests. In addition, provisions must be made to prohibit any distribution to common shareholders or the repurchase of any shares unless the asset coverage ratio is at least 200% at the time of the distribution or repurchase.

The Fund generally may sell its securities at a price that is below the prevailing net asset value per share only upon the approval of the policy by shareholders holding a majority of the shares issued by the Fund, including a majority of shares held by nonaffiliated shareholders. The Fund may, in accordance with certain conditions established by the SEC, sell shares below net asset value in connection with the distribution of rights to all of its stockholders. The Fund may also issue shares at less than net asset value in payment of dividends to existing shareholders.

Since the Fund is a closed-end business development company, stockholders have no right to present their shares to the Fund for redemption. Recognizing the possibility that the Fund's shares might trade at a discount, the Board of Directors of the Fund has determined that it would be in the best interest of stockholders for the Fund to be authorized to attempt to reduce or eliminate a market value discount from net asset value. Accordingly, the Fund from time to time may, but is not required to, repurchase its shares (including by means of tender offers) to attempt to reduce or eliminate any discount or to increase the net asset value of its shares, or both.

Many of the transactions involving the Fund and its affiliates (as well as affiliates of such affiliates) require the prior approval of a majority of the Independent Directors and a majority of the Independent Directors having no financial interest in the transactions. However, certain transactions involving closely affiliated persons of the Fund, including the Adviser, would require the prior approval of the SEC. In general (a) any person who owns, controls or holds with power to vote more than 5% of the outstanding shares, (b) any director or executive officer and (c) any person who directly or indirectly controls, is controlled by or is under common control with such person, must obtain the prior approval of a majority of the Independent Directors and, in some situations, the prior approval of the SEC, before engaging in certain transactions involving the Fund or any company controlled by the Fund. In accordance with the Investment Company Act, a majority of the directors must be persons who are not "interested persons" as defined in such act. Except for certain transactions which must be approved by the Independent Directors, the Investment Company Act generally does not restrict transactions between the Fund and its Portfolio Companies.

ITEM 2. PROPERTIES

The Fund does not have any interest in any physical properties.

ITEM 3. LEGAL PROCEEDINGS

Certain Portfolio Companies of the Fund are involved in asserted claims and have the possibility for unasserted claims which may ultimately affect the net asset value of the Fund or the fair value of the Fund's portfolio investments.

ITEM 4. SUBMISSION OF MATTTERS TO A VOTE OF SECURITY HOLDERS

On April 12, 2001, the Fund held its Annual Meeting of Shareholders. Of the 16,500,000 shares outstanding and entitled to vote, 13,435,125 were represented at the meeting by proxy or in person. At the meeting the shareholders were asked to re-elect John Grillos and Peter Freudenthal to serve on the Fund's Board of Directors for three-year terms. For John Grillos, 12,797,723 shares voted for his reelection, with 637,401 share votes withheld. For Peter Freudenthal, 12,778,793 shares voted for his reelection, with 656,331 share votes withheld. Both of the directors received a majority of the votes cast and were subsequently reelected as directors of the Fund until 2004.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Fund's shares of common stock began to trade on the New York Stock Exchange on June 26, 2000, under the symbol "MVC". The Fund had approximately 17,000 shareholders at October 31, 2001. The net asset value per share of the Fund's common stock at October 31, 2001, was $15.42.

The following table reflects the high and low closing prices per share of the Fund's common stock on the New York Stock Exchange for the fiscal year ended October 31, 2001, by quarter.

Quarter Ended	High	Low
01/30/01	$12.8750	$ 9.9375
04/30/01	$12.4900	$10.1600
07/31/01	$12.2000	$10.7000
10/31/01	$11.0500	$ 9.2000

As a regulated investment company under Subchapter M of the Code, the Fund is required to distribute to its shareholders, in a timely manner, at least 90% of its taxable net investment income each year. If the Fund distributes, in a timely manner, 98% of its taxable net capital gains and 98% of its taxable net investment income each year (as well as any portion of the respective 2% balances not distributed in the previous year), it will not be subject to the 4% non-deductible federal excise tax on certain undistributed income of regulated investment companies. Under the Investment Company Act, the Fund is not permitted to pay dividends to shareholders unless it meets certain asset coverage requirements.

The Fund is investing in companies that it believes have a high potential for capital appreciation, and the Fund intends to realize the majority of its profits upon the sale of its investments in Portfolio Companies. Consequently, it is likely that few or none of the companies in which the Fund invests will have established policies of paying annual dividends.

The Fund reserves the right to retain net long-term capital gains in excess of net short-term capital losses for reinvestment or to pay contingencies and expenses. Such retained amounts, if any, will be taxable to the Fund as long-term capital gains and shareholders will be able to claim their proportionate share of the federal income taxes paid by the Fund on such gains as a credit against their own federal income tax liabilities. Stockholders will also be entitled to increase the adjusted tax basis of their Fund shares by the difference

(Item 5 continued)

between their undistributed capital gains and their tax credit.

ITEM 6. SELECTED FINANCIAL DATA

The information set forth under Item 8 is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains certain statements of a forward-looking nature relating to future events or the future financial performance of the Company and its investment in Portfolio Companies. Words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," "might," or "continue" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. Forward-looking statements are included in this report pursuant to the "Safe Harbor" provision of the Private Securities Litigation Reform Act of 1995. Such statements are only predictions and the actual events or results may differ materially from the results discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those relating to investment capital demand, pricing, market acceptance, the effect of economic conditions, litigation and the effect of regulatory proceedings, competitive forces, the results of financing and investing efforts, the ability to complete transactions and other risks identified below or in the Company's filings with the Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. The following analysis of the financial condition and results of operation of the Company should be read in conjunction with the Financial Statements, the Notes thereto and the other financial information included elsewhere in this report.

General Investment Climate

Over the course of the reporting year, we witnessed a pronounced contraction in both the public and private equity markets. The public technology sector was hit particularly hard as it became clear to investors that the "irrational exuberance" which reached its peak in early 2000 had created considerably over-inflated valuations for technology stocks. The resulting correction, which began in the second quarter of 2000, continued its downward drift through the third quarter of 2001 as corporate profits sank, business activity slowed, and the availability of capital quickly dried up.

Just as the technology sector had spearheaded the boom of the late 1990's, its deterioration significantly contributed to the erosion of the overall economy. The declining demand from businesses and consumers for new products and services resulted in grossly over-stocked inventories and an overcrowded technology market. Despite the Fed's aggressive attempts to dampen the effects of an inevitable consolidation, as well as President Bush's supportive tax cuts, the economy continued to skid into what is now recognized as a mild recession.

The private technology market, though typically more insulated from systematic market risk, was clearly not immune to the public market and economic downturn. The difficult environment in which private technology companies continued to operate was reflected by the Fund writing down the value of a number of its investments during the reporting period, primarily those companies funded in 2000. Notwithstanding the reduced valuations, the Fund continued to finance and support its existing Portfolio Companies, focusing extensive efforts on those that it feels will weather the storm and emerge leaner, stronger, and poised to take advantage of improved market conditions.

With respect to the Fund's current investment environment, the deflated market capitalizations of public technology companies and the lack of IPO and profitable merger and acquisition opportunities presented so far this year have created conditions that we believe may significantly benefit shareholders in the long run. The reduced valuations of private information technology companies are considerably more reasonable, and the liquidation preferences and anti-dilution provisions that the Fund is able to negotiate into the terms of each new deal have improved substantially. In addition, a large number of venture capitalists have been spending a majority of their time supporting existing Portfolio Companies. This decreased competition for new deals has allowed liquid venture capital funds, such as ours, more time to diligently research and scrupulously invest in new companies.

Looking forward, although corporate earnings for technology companies will likely continue to reflect diminished business activity in the near term, we believe that much of the correction in this sector, as well as for the overall economy, has already been absorbed. Furthermore, it is likely that the Fed's continuing monetary stimulus, as well as the fiscal response to the events of September 11, will provide a strong foundation for economic recovery. With a significant cash position remaining to be invested, and an existing portfolio containing promising young companies, we feel that the Fund is in an excellent position to generate strong, long-term gains for shareholders as information technology once again becomes a driving force behind a return to economic growth.

Liquidity and Capital Resources

At October 31, 2001, the Fund had $90,926,328 of its net assets (the value of total assets less total liabilities) of $254,471,556 invested in Portfolio Companies of 22 companies and $163,726,799 of its net assets invested in temporary investments consisting of Certificates of Deposit, commercial paper, money market funds, and U.S. government and agency securities. Current balance sheet resources are believed to be sufficient to finance any future commitments.

Net cash used for operating activities was $97,762,094 for the year ended October 31, 2001.

Net investment income and net realized gains from the sales of portfolio investments are intended to be distributed at least annually. Management believes that its cash reserves and the ability to sell its temporary investments in publicly traded securities are adequate to provide payment for any expenses and contingencies of the Fund.

The Fund reserves the right to retain net long-term capital gains in excess of net short-term capital losses for reinvestment or to pay contingencies and expenses. Such retained amounts, if any, will be taxable to the Fund as long-term capital gains, and shareholders will be able to claim their proportionate share of the federal income taxes paid by the Fund on such gains as a credit against their own federal income-tax liabilities. Shareholders will also be entitled to increase the adjusted tax basis of their Fund shares by the difference between their undistributed capital gains and their tax credit.

(Item 7 continued)

Results of Operations

<u>Investment Income and Expense</u> – Net investment income after all operating expenses amounted to $1,658,465 for the year ended October 31, 2001.

The Adviser receives management fee compensation at an annual rate of 2.5 percent of the average weekly net assets of the Fund, paid monthly in arrears. Such fees amounted to $7,388,061 for the year ended October 31, 2001.

<u>Realized Gains and Losses on Sales of Portfolio Securities</u> – The Fund realized a net capital gain of $5,123 from the sale of short-term securities during the year ended October 31, 2001.

<u>Unrealized Appreciation and Depreciation of Portfolio Securities</u> – For the year ended October 31, 2001, the Fund had a net unrealized depreciation of $52,994,121. Such depreciation resulted mainly from the Board of Directors' decision to mark down the value of the Fund's investments in Annuncio Software, Inc.; AuctionWatch.com, Inc.; BlueStar Solutions, Inc.; Cidera, Inc.; Endymion Systems, Inc.; EXP Systems, Inc.; FOLIOfn, Inc.; InfoImage, Inc.; infoUSA.com, Inc.; IQdestination; Ishoni Networks, Inc.; Pagoo.com, Inc.; Personic Software, Inc.; SafeStone Technologies PLC; and ShopEaze Systems, Inc.

<u>Dividends</u> – On December 5, 2000, the Fund announced an ordinary income cash dividend of $0.34210 per share, payable on January 3, 2001, to stockholders of record at the close of business on December 8, 2000. The Fund went ex-dividend on December 6, 2000. Distributions can be made payable by the Fund in the form of either a cash distribution or a stock dividend. On the Fund's ex-dividend date, the Fund was trading on the New York Stock Exchange (the "NYSE") at a discount to net asset value. In accordance with the Dividend Reinvestment

(Item 7 continued)

Plan, the Dividend Distribution Agent purchased shares on the open market of the NYSE for those shareholders electing to take their distributions in the form of stock dividends.

Portfolio Investments – At October 31, 2001, the cost of equity and equity-linked security investments made by the Fund to date was $148,886,310, and their aggregate market value was estimated to be $90,926,328. While the current values of certain Portfolio Companies have been reduced, Management believes that many of the companies identified have upside potential for long-term growth in sales and earnings. The Sub-Adviser continuously evaluates opportunities to maximize the valuation of its investments. In that regard the Sub-Adviser will periodically evaluate potential acquisitions, financing transactions, initial public offerings, strategic alliances and sale opportunities involving the Fund's Portfolio Companies. These transactions and activities are generally not disclosed to the Fund's shareholders and the investing public until such time as the transactions are publicly announced or completed, as the case may be. Any such pending transaction could have an impact on the valuation of an investment, however, which may be adjusted prior to the transaction being publicly announced or completed.

Subsequent Events – On November 29, 2001, the Fund entered into an investment of approximately $4,000,000 of Series E Preferred Stock of 0-In Design Automation, Inc.

On December 4, 2001 the Fund declared an ordinary income cash dividend of $0.044163 per share, payable on January 3, 2002, to stockholders of record at the close of business on December 10, 2001. The Fund went ex-dividend on December 6, 2001.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Fund is subject to financial market risks, including changes in interest rates with respect to its investments in debt securities as well as changes in marketable equity security prices. The Fund does not use derivative financial instruments to mitigate any of these risks. The return on the Fund's investments is generally not affected by foreign-currency fluctuations.

The Fund's investment in portfolio securities consists of some fixed rate debt securities. Since the debt securities are generally priced at a fixed rate, changes in interest rates do not directly impact interest income. The Fund's debt securities are generally held to maturity and their fair values are determined on the basis of the terms of the debt security and the financial condition of the issuer.

Concentrations of market and credit risk exist with respect to debt and equity investments in Portfolio Companies which are subject to significant risk usual to companies in various stages of start-up. Generally, there is no ready market for the Fund's investments, as they are closely held, generally not publicly traded or, in circumstances where an investment is publicly traded, the Fund may be subject to certain trading restrictions for a specified period of time.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BALANCE SHEETS

meVC Draper Fisher Jurvetson Fund I, Inc., Balance Sheets

ASSETS	Oct. 31, 2001	Oct. 31, 2000
Investments in preferred stocks, at fair value (cost $148,886,310 and $112,554,476, respectively), (Note 2)	$ 90,926,328	$ 107,554,476
Investments in short-term securities, at market value (cost $151,320,526 and $88,073,112, respectively), (Note 2)	151,373,377	88,159,616
Cash and cash equivalents (cost $12,353,422 and $115,759,680, respectively), (Note 2)	12,353,422	115,760,166
Interest receivable	396,656	640,620
Total assets	**$ 255,049,783**	**$ 312,114,878**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Management fee payable, (Notes 3, 5)	578,227	668,139
Shareholders' Equity:		
Common Stock, $0.01 par value; 150,000,000 shares authorized and 16,500,000 outstanding	165,000	165,000
Additional paid in capital	311,485,000	311,485,000
Retained deficit	(57,178,444)	(203,261)
Total shareholders' equity	254,471,556	311,446,739
Total liabilities and shareholders' equity	**$ 255,049,783**	**$ 312,114,878**
Net asset value per share	**$ 15.42**	**$ 18.88**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF OPERATIONS

meVC Draper Fisher Jurvetson Fund I, Inc. Statement of Operations

	For the year ended Oct. 31, 2001	For the period March 31, 2000* to Oct. 30, 2000
Investment Income:		
Interest income	$ 9,046,526	$ 9,325,822
Operating Expenses:		
Management fees (Notes 3, 5)	7,388,061	4,615,284
Net investment income	1,658,465	4,710,538
Net Realized and Unrealized Loss on Investment Transactions:		
Net realized gain (loss) on investment transactions	5,123	(789)
Net unrealized depreciation on investment transactions	(52,994,121)	(4,913,010)
Net realized and unrealized loss on investment transactions	(52,988,998)	(4,913,799)
Net decrease in net assets resulting from operations	$ (51,330,533)	$ (203,161)
Net decrease in net assets resulting from operations per share	$ (3.12)	$ (0.01)
Dividends declared per share	$ 0.34	$ –

* Commencement of operations.

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

meVC Draper Fisher Jurvetson Fund I, Inc. Statement of Operations

	For the year ended Oct. 31, 2001	For the period Mar. 31, 2000* to Oct. 31, 2000
Cash Flows from Operating Activities:		
Net (decrease) increase in net assets resulting from operations	$ (51,330,533)	$ (203,261)
Adjustments to reconcile net cash provided by operations:		
Realized gain (loss)	(5,123)	789
Net unrealized depreciation	52,994,121	4,913,010
Changes in assets and liabilities:		
Management fee payable	(89,912)	668,139
Interest receivable	243,964	(640,620)
Purchases of preferred stock	(36,331,834)	(112,554,476)
Purchases of short-term investments	(218,380,747)	(102,055,901)
Purchases of cash equivalents	(955,884,612)	(2,508,601,655)
Sales/Maturities of short-term investments	185,569,861	14,983,808
Sales/Maturities of cash equivalents	925,452,721	2,507,600,333
Net cash provided by (used for) operating activities	**(97,762,094)**	**(195,889,834)**
Cash Flows from Financing Activities:		
Gross proceeds from initial public offering	–	330,000,000
Sales load	–	(16,500,000)
Advisory fee, Prudential Securities Incorporated	–	(1,500,000)
Deferred offering costs (Note 2)	–	(350,000)
Redemption of seed money	–	(5,000)
Distributions	(5,644,650)	–
Net cash provided for financing activities	**(5,644,650)**	**311,645,000**
Net change in cash and cash equivalents for the period	**(5,644,650)**	**115,755,166**
Cash and cash equivalents, beginning of period	**115,760,166**	**5,000**
Cash and cash equivalents, end of the period	**$ 12,353,422**	**$ 115,760,166**

* Commencement of operations.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF SHAREHOLDERS' EQUITY

meVC Draper Fisher Jurvetson Fund I, Inc., Statement of Shareholders' Equity

	Common Stock	Additional Paid-in Capital	Retained Deficit	Total Shareholders' Equity
Balance at March 31, 2000*	$ 3	$ 4,997	$ –	$ 5,000
Issuance of 16,500,000 shares through initial public offering (net of offering costs)	165,000	311,485,000	–	311,650,000
Redemption of seed shares	(3)	(4,997)	–	(5,000)
Net decrease in net assets from operations	–	–	(203,261)	(203,261)
Balance at October 31, 2000	**$ 165,000**	**$311,485,000**	**$ (203,261)**	**$311,446,739**
Distributions from net investment income	–	–	(5,644,650)	(5,644,650)
Net decrease in net assets from operations	–	–	(51,330,533)	(51,330,533)
Balance at October 31, 2001	**$ 165,000**	**$311,485,000**	**$(57,178,444)**	**$254,471,556**

* Commencement of operations.

The accompanying notes are an integral part of these financial statements.

SELECTED PER SHARE DATA AND RATIOS

meVC Draper Fisher Jurvetson Fund I, Inc., Selected per Share Data and Ratios

	For the Year Ended Oct. 31, 2001	For the Period Mar. 31, 2000* to Oct. 31, 2001
Cash Flows from Operating Activities:		
Net asset value, beginning of period	$ 18.88	$ 18.89 (a)
Income (loss) from investment operations:		
Net investment income	0.10	0.29
Net realized and unrealized loss on investment	(3.22)	(0.30)
Total from investment operations	(3.12)	(0.01)
Less distributions from:		
Net investment income	(0.34)	–
Total distributions	(0.34)	–
Net asset value, end of period	$ 15.42	$ 18.88
Market value, end of period	$ 9.25	$ 11.50
Total Return - at NAV (b)	(15.99)%	(0.05)%
Total Return - at Market (b)	(17.26)%	(42.50)% (c)
Ratios and Supplemental Data:		
Net assets, end of period (in thousands)	254,472	311,447
Ratios to average net assets:		
Expenses (d) (Note 3)	2.50%	2.50%
Net investment income	0.56%	1.49% (d)

* Commencement of operations.

(a) Initial public offering, net of initial sales load, underwriting and offering cost of $1.11 per share.

(b) Total return is historical and assumes changes in share price, reinvestments of all dividends and distributions, and no sales charge. Total return for period of less than one year is not annualized.

(c) For the period June 26, 2000 (commencement of trading on the NYSE) to October 31, 2000.

(d) Annualized.

The accompanying notes are an integral part of these financial statements.

meVC Draper Fisher Jurvetson Fund I, Inc. Schedule of Investments
(October 31, 2001)

Description	Shares/ Principal	Date of Initial Investment	Cost	Value
Preferred Stocks: 35.73% (a, b) (Note 2,3)				
Actelis Networks, Inc., Series C	1,506,025	May 2001	$ 5,000,003	$ 5,000,003
Annuncio Software, Inc., Series E	625,000	July 2000	5,000,000	3,750,000
AuctionWatch.com, Inc., Series C	1,047,619	June 2000	5,500,000	2,320,267
*BlueStar Solutions, Inc. (Formerly eOnline, Inc.):				
Series C	1,360,544	May 2000	9,999,998	2,500,000
Series C Warrants, expire 5/26/03	136,054	May 2000	–	–
Cidera, Inc., Series D	857,192	Aug. 2000	7,500,001	3,750,044
DataPlay, Inc., Series D	2,500,000	June 2001	7,500,000	7,500,000
*Endymion Systems, Inc., Series A	7,156,760	June 2000	7,000,000	5,250,199
*EXP Systems, Inc., Series C	1,748,252	June 2000	10,000,001	3,750,000
*Foliofn, Inc., Series C	5,802,259	June 2000	15,000,000	7,500,000
InfoImage, Inc., Series AA Preferred	11,740,340	June 2001	352,210	352,210
InfoImage, Inc.: Common Stock Warrants, expire 6/14/06	92,663,933	June 2001	–	–
Common Stock	933,120	June 2001	2,004,480	–
InfoImage, Inc.				
Series C Warrants for Common Stock, expire 6/2/10	259,200	June 2000	–	–
*infoUSA.com, Inc., Series B	2,145,922	June 2000	$ 9,999,997	$ 6,749,998
Ishoni Networks, Inc., Series C	2,003,607	Nov. 2000	10,000,003	7,500,102
*IQdestination, Series B	1,150,000	Sept. 2000	2,300,000	816,500
*IQdestination, Series C	1,295,775	June 2001	920,000	920,000
Lumeta Corporation, Series A	384,615	Oct. 2000	250,000	250,000
*MediaPrise, Inc., Series A	2,196,193	Sept. 2000	2,000,000	2,000,000
*Pagoo, Inc., Series C	3,412,969	July 2000	9,999,999	7,542,661
*Pagoo, Inc., Series D	2,098,636	Feb. 2001	4,000,000	4,000,000
Personic Software, Inc., Series F	512,296	May 2000	10,000,000	–
Personic Software, Inc.:				
Series G-1	38,958	Nov. 2000	760,460	–
Series G-1 Warrants, expire 10/31/05	973,950	Nov. 2000	–	–
*ProcessClaims, Inc., Series C	6,250,000	June 2001	2,000,000	2,000,000
Safestone Technologies PLC, Series A	650,401	Dec. 2000	3,499,157	2,624,368
*ShopEaze Systems, Inc., Series B	2,097,902	May 2000	6,000,000	2,250,000
*Sonexis, Inc. (Formerly eYak, Inc.), Series C	2,590,674	June 2000	10,000,000	9,999,976
Yaga, Inc., Series A	300,000	Nov. 2000	300,000	600,000
Yaga, Inc.:				
Series B	1,000,000	June 2001	2,000,000	2,000,000
Series B Warrants, expire 6/8/04	100,000	June 2001	–	–
Total Preferred Stocks			**148,886,310**	**90,926,328**

The accompanying notes are an integral part of these financial statements.

The accompanying notes are an integral part of these financial statements.

Description	Shares/ Principal	Date of Initial Investment	Cost	Value
Short Term Securities: 59.49% (b)				
Corporate Bonds: 4.31%				
Caterpillar Financial Services Corp. 2.210 %, 02/12/2002	7,500,000	Oct. 2001	$ 7,452,577	$ 7,452,577
Ford Motor Credit Corp. 6.500%, 02/28/2002	2,500,000	Mar. 2001	2,511,010	2,526,130
General Motors Acceptance Corp 5.350%, 12/07/2001	1,000,000	June 2001	1,001,322	1,001,322
Total Corporate Bonds			**10,964,909**	**10,980,029**
Certificates of Deposit: 4.74%				
Commerica BK 5.240%, 01/11/2002	4,000,000	Jan. 2001	4,000,151	4,000,151
National City Corp. 2.346%, 09/24/2002	4,500,000	June 2001	4,500,000	4,500,000
State Street CD 3.470%, 11/13/2001	3,550,000	June 2001	3,550,000	3,550,000
Total Certificates of Deposit			**12,050,151**	**12,050,151**

The accompanying notes are an integral part of these financial statements.

Description	Shares/ Principal	Date of Initial Investment	Cost	Value
U.S. Government & Agency Securities: 22.03%				
Federal Home Loan Banks 5.005%, 12/04/2001	2,000,000	June 2001	$ 2,002,091	$ 2,005,270
Federal Home Loan Mortgage Corp. 6.625%, 08/15/2002	3,000,000	Aug. 2001	3,087,930	3,106,131
Federal Home Loan Mortgage Disc. Cons. 0.000%, 11/16/2001	6,022,000	July 2001	6,013,218	6,016,430
Federal Home Loan Mortgage Disc. Cons. 0.000%, 12/14/2001	7,800,000	July 2001	7,767,392	7,780,531
Federal Home Loan Mortgage Disc. Cons. 3.360%, 12/21/2001	10,000,000	Aug. 2001	9,953,333	9,953,333
Federal Home Loan Mortgage Disc. Cons. 2.170%, 06/28/2002	5,975,000	Oct. 2001	5,888,922	5,888,922
Federal National Mortgage Association 3.680%, 03/05/02	5,750,000	July 2001	5,677,116	5,677,116
Federal National Mortgage Association Disc. Cons. 0.000%, 01/10/2002	6,000,000	Aug. 2001	5,960,917	5,960,917
Federal National Mortgage Association Disc. Cons. 0.000%, 08/09/2002	10,000,000	Aug. 2001	9,660,894	9,660,894
Total U.S. Government & Agency			**56,011,813**	**56,049,544**

The accompanying notes are an integral part of these financial statements.

(Schedule of Investments, continued)

Description	Shares/ Principal	Date of Initial Investment	Cost	Value
Commercial Paper: 28.41%				
ABB Treasury Centre (U.S.A), Inc. 3.500%, 12/27/2001	7,000,000	Aug. 2001	$ 6,961,889	$ 6,961,889
Allied Irish Banks 3.360%, 11/26/2001	7,000,000	Aug. 2001	6,983,667	6,983,667
American Express Co. 3.540%, 12/20/2001	6,345,000	July 2001	6,314,428	6,314,428
B.M.W. U.S. Cap. Corp. 2.480%, 12/26/2001	2,725,000	Sept. 2001	2,714,675	2,714,675
B.P. Amoco Cap. plc				
2.370%, 03/26/2002	2,700,000	Oct. 2001	2,674,226	2,674,226
2.230%, 04/03/2002	5,000,000	Oct. 2001	4,952,613	4,952,613
Ford Motor Credit Co. 3.500%, 12/18/2001	4,950,000	Aug. 2001	4,927,381	4,927,381
General Electric Cap Corp. 3.220%, 12/13/2001	7,000,000	Sept. 2001	6,973,703	6,973,703
General Motors Corp. 3.750%, 03/04/02	3,500,000	July 2001	3,455,156	3,455,156
M&I Marshall & Ilsley Bank 4.320%, 05/02/2002	7,200,000	May 2001	7,199,651	7,199,651
Pfizer, Inc. 2.210%, 01/23/2002	4,200,000	Oct. 2001	4,178,600	4,178,600
SBC Communications, Inc. 3.370%, 11/29/2001	3,500,000	Aug. 2001	3,490,826	3,490,826
Siemens Cap. Corp 2.450%, 05/06/2002	7,100,000	Oct. 2001	7,017,463	7,017,463
Verizon Global Funding 2.250%, 04/30/2002	4,500,000	Oct. 2001	4,449,375	4,449,375
Total Commercial Paper			**72,293,653**	**72,293,653**
Total Short Term Securities			**151,320,526**	**151,373,377**

The accompanying notes are an integral part of these financial statements.

Description	Shares/ Principal	Date of Initial Investment	Cost	Value
Cash and Cash Equivalents: 4.86% (b)				
Commercial Paper: 4.85%				
ABB Treasury Centre (U.S.A), Inc. 2.500%, 12/27/2001	700,000	Oct. 2001	$ 697,278	$ 697,278
SBC Communications, Inc. 2.450%, 12/19/2001	1,475,000	Sept. 2001	1,470,181	1,470,181
Toyota Motor Credit Co. 2.530%, 11/01/2001	7,700,000	Oct. 2001	7,700,000	7,700,000
UBS Financial, Inc. 3.370%, 11/20/2001	2,475,000	Aug. 2001	2,470,598	2,470,598
Total Commercial Paper			**12,338,057**	**12,338,057**
Money Market Funds: 0.01%				
SSgA Money Market Fund 2.598%	15,365	Oct. 2001	15,365	15,365
Total Cash and Cash Equivalents			**12,353,422**	**12,353,422**
Total Investments			**$ 312,560,258**	**$ 254,653,127**

(a) These securities are restricted from public sale without prior registration under the Securities Act of 1933. The Fund negotiates certain aspects of the method and timing of the disposition of these investments, including registration rights and related costs.

(b) Percentages are based on net assets of $ 254,471,556.

* Affiliated Issuers (Total Market Value of $ 55,279,334): companies in which the Fund owns at least 5% of the voting securities.

The accompanying notes are an integral part of these financial statements.

(October 31, 2001)

1. Organization and Business Purpose

meVC Draper Fisher Jurvetson Fund I, Inc. (the "Fund"), a closed-end investment company sponsored by meVC.com, Inc. ("meVC.com"), was organized as a Delaware corporation on December 2, 1999 and commenced operations on March 31, 2000. The largest investor in meVC.com is the Draper Fisher Jurvetson Fund VI, L.P. The Fund seeks to achieve long-term capital appreciation from equity and equity-oriented securities issued by privately owned companies in transactions negotiated directly with such companies ("Portfolio Companies"). The Fund seeks to make venture capital investments in information technology companies, primarily in the Internet, e-commerce, telecommunications, networking, software and information services industries. The Fund's investments in Portfolio Companies will consist principally of equity securities such as common and preferred stock, but may also include other equity-oriented securities such as debt convertible into common or preferred stock or debt combined with warrants, options or other rights to acquire common or preferred stock. Current income is not a significant factor in the selection of Portfolio Company investments. The Fund has elected to be treated as a business development company under the Investment Company Act of 1940, as amended ("the Act"). The shares of the Fund commenced trading on the New York Stock Exchange (the "Exchange") under the symbol MVC on June 26, 2000. As described in the Fund's definitive Prospectus, dated March 28, 2000 (the "Public Offering Date"), the Shares had been authorized to list on the Exchange, subject to official notice of issuance, but the Fund and the Exchange mutually agreed that the commencement of trading would be delayed until not later than 90 days from the Public Offering Date. The Fund has entered into an advisory agreement with meVC Advisers, Inc. ("meVC Advisers"), a wholly-owned subsidiary of meVC.com. meVC Advisers has entered into a sub-advisory agreement with Draper Fisher Jurvetson MeVC Management Co., LLC (the "Sub-Adviser").

2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

In November 2000 the American Institute of Certified Public Accountants (AICPA) issued a revised version of the AICPA Audit and Accounting Guide for Investment Companies (the "Guide"). The Fund has adopted the provisions of the Guide, which is effective for annual financial statements issued for fiscal years beginning after December 15, 2000. The Guide will require investment companies to amortize premiums and discounts on debt securities. The Fund currently follows this policy and as such the adoption of the Guide did not have any material effect on the financial statements.

<u>Valuation of Investments</u> – Investments in preferred stock are carried at fair value with the net change in unrealized appreciation or depreciation included in the determination of net assets (the value of total assets less total liabilities). Cost is used to approximate fair value of these investments until significant developments affecting an investment provide a basis for valuing such investment at a number other than cost.

The fair value of investments for which no market exists and for which the Board of Directors has determined that the original cost of the investment is no longer an appropriate valuation will be determined on the basis of procedures established in good faith by our Board of Directors. Valuations will be based upon such factors as the financial and/or operating results of the most recent fiscal period, the performance of the company relative to planned budgets/forecasts, the issuer's financial condition and the markets in which it does business, the prices of any recent transactions or offerings regarding such securities or any proxy securities, any available analysis, media, or other reports or information regarding the issuer, or the markets or industry in which it operates, the nature of any restrictions on disposition of the securities and other analytical data. In the case of unsuccessful operations, the valuation may be based upon anticipated liquidation proceeds.

Because of the inherent uncertainty of the valuation of portfolio securities which do not have readily ascertainable market values, the Fund's estimate of fair value may significantly differ from the fair market value that would have been used had a ready market existed for the securities. Appraised values do not reflect brokers' fees or other normal selling costs which might become payable on disposition of such investments.

Investments in companies whose securities are publicly traded on an organized exchange are valued at their quoted closing market price, less a discount to reflect the estimated effects of restrictions on the sale of such securities ("Valuation Discount"), if applicable. Investments in companies whose securities are publicly traded in the over the counter market are valued at the average closing of their Bid and Ask prices, less a discount to reflect the estimated effects of restrictions on the sale of such securities ("Valuation Discount"), if applicable. If a reliable last bid and ask price are not available, market values for equity securities are determined based on the last reliable bid quotation available from a market maker in the security.

Short-term investments (securities which have maturities of one year or less), including cash equivalents, having maturities of 60 days or less are stated at amortized cost, which approximates fair value. Other fixed income securities are stated at fair value. Fair value of these securities is determined at the most recent bid or yield equivalent from dealers that make markets in such securities.

<u>Investment Transactions and Related Investment Income</u> – Investment transactions are accounted for on the trade date (the date the order to buy or sell is executed). The cost of securities sold is determined on a first-in, first-out basis, unless otherwise specified. Dividend income on investment securities is recorded on the ex-dividend date. Interest income, which includes accretion of discount and amortization of premium, if applicable, is recorded on the accrual basis.

<u>Cash and Cash Equivalents</u> – For the purpose of the Statement of Cash Flows, the Fund considers all money market and all highly liquid temporary cash investments purchased with an original maturity of three months or less to be cash equivalents.

<u>Restricted Securities</u> – The Fund will invest in privately placed restricted securities. These securities may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and a prompt sale at an acceptable price may be difficult.

<u>Income Taxes</u> – It is the policy of the Fund to meet the requirements for qualification as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended. The Fund is not subject to income or excise taxes to the extent that it distributes all of its investment company taxable income and net realized gains for its fiscal year.

<u>Accounting Estimates</u> – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

<u>Organizational/Offering Costs</u> – Costs relating to the organization of the Fund were borne by meVC Advisers, Inc. Certain initial public offering costs were charged to paid-in capital upon the sale of the shares.

3. Management

The Fund has entered into a management agreement with meVC Advisers, Inc. (the "Adviser"), a Delaware corporation. Pursuant to such agreement, the Adviser performs certain services including certain management and administrative services necessary for the operation of the Fund. The Adviser receives a management fee equal to 2.5% of the average weekly net assets of the Fund, paid monthly in arrears. A portion of this fee is also used to pay the Fund's Sub-Adviser. The Adviser also receives compensation equal to 20.0% of the Fund's annual realized capital gains net of realized and unrealized capital losses ("carried interest"). The Adviser is a wholly owned subsidiary of a privately owned corporation.

The Adviser has entered into a sub-advisory agreement with Draper Fisher Jurvetson MeVC Management Co., LLC (the "Sub-Adviser"). For the Sub-Adviser's services, the Adviser pays the Sub-Adviser an annual investment sub-advisory fee equal to 1.0% of the Fund's average weekly net assets, paid monthly in arrears. The Adviser shall also pay the Sub-Adviser an amount equal to 90.0% of any carried interest paid by the Fund to the Adviser. The sub-advisory fees are not an additional expense to the Fund.

The Adviser has entered into a sub-advisory agreement with Fleet Investment Advisors, Inc. (the "Short-Term Money Manager"). The Short-Term Money Manager provides all short-term management of the Fund's uninvested cash. The sub-advisory fees are not an additional expense to the Fund.

meVC Advisers has agreed to pay compensation to the directors and officers for any and all services rendered to the Fund. As compensation for such services, each director who is not an officer of the Fund receives an annual fee of $4,800 paid monthly in arrears, a fee of $10,000 for each meeting of the Board of Directors, or a committee of the Board of Directors, in which each such independent director participates, whether attended in person or by telephone, and reimbursement of all out-of-pocket expenses relating to attendance at such meetings.

meVC Advisers has agreed to pay all Fund expenses above and beyond the 2.5% Management Fee paid to meVC Advisers by the Fund.

4. Dividends and Distributions to Shareholders

On December 5, 2000, the Fund announced an ordinary income cash dividend of $0.34210 per share, payable on January 3, 2001, to stockholders of record at the close of business on December 8, 2000. The Fund went ex-dividend on December 6, 2000. Distributions can be made payable by the Fund in the form of either a cash distribution or a stock dividend. On the Fund's ex-dividend date, the Fund was trading on the New York Stock Exchange (the "NYSE") at a discount to net asset value. In accordance with the Dividend Reinvestment Plan, the Dividend Distribution Agent purchased shares on the open market of the NYSE for those shareholders electing to take their distributions in the form of stock dividends.

Income dividends and capital gain distributions, if any, are recorded on the ex-dividend date. Dividends and capital gain distributions are generally declared and paid annually. An additional distribution may be paid by the Fund to avoid imposition of federal income tax on any remaining undistributed net investment income and capital gains. Distributions can be made payable by the Fund either in the form of a cash distribution or a stock dividend. The amount and character of income and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences are due primarily to differing treatments of income and gain on various investment securities held by the Fund, timing differences and differing characterizations of distributions made by the Fund. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications and may affect the allocation between net investment income, net realized gain (loss) and paid in capital.

5. Transactions With Related Parties

The Fund has been granted exemptive relief from certain provisions of the Investment Company Act of 1940, as amended, to permit the Fund to make co-investments with certain affiliates of Draper Fisher Jurvetson. The Fund anticipates that it may, subject to certain terms and conditions, frequently invest in the same Portfolio Companies as current and future affiliates of the Adviser.

The Fund has accrued $578,227 and $668,139 at October 31, 2001 and 2000, respectively, payable to the Adviser, of which $231,291 and $267,255, or 1% are payable to the Sub-Adviser. For the year ended October 31, 2001 and the period ended October 31, 2000, respectively, the Adviser has paid Draper Fisher Jurvetson MeVC Management Co., LLC (the "Sub-Adviser") sub-advisory fees amounting to $2,723,933 and $1,578,859, or 1% of the 2.5% management fee.

6. Concentration of Market Risk

Financial instruments that subject the Fund to concentrations of market risk consist principally of preferred stocks, which represent approximately 35.73% of the Fund's net assets. The preferred stocks, as discussed in Note 2, consist of investments in companies with no readily determinable market values and as such are valued in accordance with the Fund's fair value policies. The Fund's investment strategy represents a high degree of business and financial risk due to the fact that the investments include entities with little operating history or entities that possess operations in new or developing industries. These investments are subject to restrictions on resale because they were acquired from the issuer in private placement transactions.

7. Portfolio Investments

During the year ended October 31, 2001, the Fund invested approximately $28,200,000 in six new companies and made five follow-on investments in InfoImage, Inc., IQdestination, Inc., Pagoo.com, Inc., Personic Software, Inc., and Yaga, Inc. of approximately $8,132,000. During the year ended October 31, 2001, there were no changes made or additions to the initial investments in Lumeta Corporation and MediaPrise, Inc. Changes that were made to and additions that were made to the Fund's individual equity and equity-linked security investments, during the year ended October 31, 2001, were comprised of the following:

ISHONI NETWORKS, INC.

On November 6, 2000 the Fund entered into approximately a $10,000,000 investment in Ishoni Networks, Inc. ("Ishoni Networks"). The Fund's investment then consisted of 2,003,607 shares of Series C Convertible Preferred Stock (Series C Preferred Stock") at $4.991 per share.

The Series C Preferred Stock ranks pari passu, with respect to liquidation preference, to any series of Preferred Stock issued prior to the Series C and senior to the Common Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series C Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

On July 25, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's approximately $10,000,000 investment in the Series C Preferred Stock issue of Ishoni Networks by 25%. The Fund's investment now consists of 2,003,607 shares of Series C Preferred Stock at a valuation of $3.7433 per share.

PERSONIC SOFTWARE, INC.

On November 28, 2000, the Fund entered into a follow-on investment of approximately $760,000 of Series G1 Convertible Preferred Stock of Personic Software, Inc. ("Personic") The Fund's investment then consisted of 38,958 shares of Series G1 Convertible Preferred Stock ("Series G1 Preferred Stock") at $19.52 per share. The Fund also received 973,950 warrants to purchase 973,950 shares of Common Stock. The warrants expire on October 31, 2005.

In conjunction with the Fund's investment in Series G1 Preferred Stock, the outstanding capital stock of Personic, including the Fund's investment in Series G Convertible Preferred Stock ("Series G Preferred Stock") and Series G Warrants, was automatically converted into 0.125 shares of capital stock of the same class or series, with fractional shares being rounded up (the "Recapitalization"). Subsequent to the Recapitalization, the 310,174 shares of Series G Preferred Stock and the 125,000 Series G Warrants, in total, were exchanged for 512,296 shares of Series F Convertible Preferred Stock ("Series F Preferred Stock"). Due to (i) the Valuation Committee of the Board of Directors 50% mark down, on October 27, 2000, of the valuation of the Fund's $10,000,000 investment in the Series G Preferred Stock issue, (ii) the Recapitalization, and (iii) the Exchange, the Fund's investment in Series F Preferred Stock then consisted of 512,296 shares at a valuation of $9.76 per share.

The Series F Preferred Stock ranks equally ("pari passu") to the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock and the Series E Preferred Stock, prior to and in preference to the Common Stock, and junior to the Series AA Preferred Stock and the Series G1 Preferred Stock with respect to Liquidation Preference. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series F Preferred Stock, as converted to Common Stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

The Series G1 Preferred Stock ranks senior to the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock and Series F

Preferred Stock and the Common Stock, and junior to the Series AA Preferred Stock with respect to liquidation preference. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series G1 Preferred Stock, as converted to Common Stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

On June 13, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's approximately $10,000,000 investment in the Series F Preferred Stock issue of Personic by the remaining 50% and marked down the valuation of the Fund's approximately $760,000 investment in the Series G1 Preferred Stock issue of Personic by 100%. The Fund's investment now consists of 512,296 shares of Series F Preferred Stock at a valuation of $0.00 per share, 38,958 shares of Series G1 Preferred Stock at a valuation of $0.00 per share, and 973,950 warrants at a valuation of $0.00 per share.

YAGA, INC.

On November 30, 2000 the Fund entered into a $200,000 investment in Yaga, Inc. ("Yaga"). The Fund's investment then consisted of 200,000 shares of Series A Convertible Preferred Stock ("Series A Preferred Stock") at $1.00 per share.

The Series A Preferred Stock ranks senior, with respect to liquidation preference, to the Common Stock and any series of Junior Preferred Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series A Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

On June 8, 2001 the Fund entered into a $2,000,000 investment in Yaga. The Fund's investment consisted of 1,000,000 shares of Series B Convertible Preferred Stock ("Series B Preferred Stock") at $2.00 per share. The Fund also received 100,000 warrants to purchase 100,000 shares of Series B Preferred Stock. The warrants expire on June 8, 2004.

The Series B Preferred Stock ranks pari passu, with respect to liquidation preference, to the Series A Preferred Stock and senior to the Common Stock and any series of Junior Preferred Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series B Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

Due to the investment in Series B Preferred Stock at a higher price per share than the Series A Preferred Stock, the value of the Series A Preferred Stock was subsequently marked up in accordance with the valuation policies as set forth in the Fund's Registration Statement.

On July 31, 2001, the Fund entered into a $100,000 investment of Series A Preferred Stock of Yaga. The Fund's investment then consisted of 300,000 shares of Series A Convertible Preferred Stock ("Series A Preferred Stock") at $2.00 per share.

SAFESTONE TECHNOLOGIES PLC

On December 22, 2000, the Fund entered into approximately $3,500,000 investment in SafeStone Technologies PLC ("SafeStone"), a UK-incorporated company. The Fund's investment consists of 650,401 shares of Series A Convertible Preferred Stock ("Series A Preferred Stock") at $5.38 per share. The Fund's investment also consists of a warrant for the right to subscribe at par for Series A preference shares of £0.01 each in accordance with the terms of the Warrant Agreement.

The Series A Preferred Stock ranks senior, with respect to liquidation preference, to the Common Stock and any series of Junior Preferred Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series A Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

On October 26, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's approximately $3,500,000 investment in the Series A Preferred Stock issue of SafeStone by 25%. The Fund's investment now consists of 650,401 shares of Series A Preferred Stock at a valuation of $4.0350 per share.

INFOIMAGE, INC.

On January 29, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $2,004,480 investment in the Series C Convertible Preferred Stock ("Series C Preferred Stock") issue of InfoImage, Inc. ("InfoImage") by 50%. The Fund's Series C investment then consisted of 432,000 shares of Series C Preferred Stock at a valuation of $2.32 per share and 259,200 warrants at a valuation of $0.00 per share.

On June 8, 2001, the Fund entered into a $345,533 investment in InfoImage. The Fund's investment consisted of a Convertible Promissory Note with a face value of $345,533. In connection with the financing, InfoImage had agreed to issue warrants to purchase either (i) a series of preferred stock or (ii) additional shares of common stock, $0.001 par value per share, in connection with future equity financings.

On October 19, 2001, the Fund's 432,000 shares in the Series C Preferred Stock was converted into 933,120 shares of Common Stock, along with the entirety of InfoImage's Series A Convertible Preferred Stock, Series B Convertible Preferred Stock, and all other Series C Convertible Preferred Stock. This conversion was done in conjunction with the Fund's $345,533 Convertible Promissory Note being converted into 11,740,340 shares of Series AA Convertible Preferred Stock ("Series AA Preferred Stock"). The Series AA Preferred Stock ranks senior, with respect to liquidation preference, to the Common Stock and any series of Junior Preferred Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series AA Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO. The warrants originally issued with the Convertible Promissory note were restated as only being eligible to convert into shares of Common Stock.

On October 23, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's approximately $2,004,000 investment in the Common Stock issue of InfoImage by the remaining 50%. The Fund's investment now consists of 11,740,340 shares of Series AA Preferred Stock at a valuation of $0.03 per share, 933,120 shares of Common Stock at a valuation of $0.00 per share, 259,200 warrants at a valuation of $0.00, and 92,663,933 warrants at a valuation of $0.00. The warrants expire on June 2, 2010 and June 14, 2006, respectively.

PAGOO, INC.

On February 26, 2001, the Fund entered into a follow-on investment of approximately $4,000,000 of Series D Convertible Preferred Stock of Pagoo, Inc ("Pagoo"). The Fund's investment consists of 2,098,636 shares of Series D Convertible Preferred Stock ("Series D Preferred Stock") at $1.906 per share.

The Series D Preferred Stock ranks equally ("pari passu"), with respect to liquidation preference, to the Series A Preferred Stock, the Series B Preferred Stock, and the Series C Preferred Stock and senior to the Common Stock and any series of Junior Preferred Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series D Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

Due to the investment in Series D Preferred Stock at a lower price per share than the Series C Convertible Preferred Stock ("Series C Preferred Stock"), the value of the Series C Preferred Stock was subsequently marked down. The markdown considers the anti-dilutive covenants of the Series C Preferred Stock as contained in Pagoo's Articles of Incorporation.

AUCTIONWATCH.COM, INC.

On April 20, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $5,500,000 investment in the Series C Convertible Preferred Stock ("Series C Preferred Stock") issue of AuctionWatch.com, Inc. ("Auction-Watch") by 25%. The Fund's investment then consisted of 1,047,619 shares of Series C Preferred Stock at a valuation of $3.94 per share.

On July 25, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $5,500,000 investment in the Series C Preferred Stock issue of AuctionWatch.com, Inc.

("AuctionWatch") by another 25%. The Fund's investment then consisted of 1,047,619 shares of Series C Preferred Stock at a valuation of $2.625 per share.

On October 23, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $5,500,000 investment in the Series C Preferred Stock issue of AuctionWatch.com, Inc. ("AuctionWatch") by another 25%. The Fund's investment now consists of 1,047,619 shares of Series C Preferred Stock at a valuation of $2.2148 per share.

CIDERA INC.

On April 20, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $7,500,001 investment in the Series D Convertible Preferred Stock ("Series D Preferred Stock") issue of Cidera, Inc. ("Cidera") by 50%. The Fund's investment now consists of 857,192 shares of Series D Preferred Stock at a valuation of $4.3748 per share.

EXP SYSTEMS, INC. (Formerly EXP.com, Inc.)

On April 20, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $10,000,001 investment in the Series C Convertible Preferred Stock ("Series C Preferred Stock") issue of EXP Systems, Inc. ("EXP") by 25%. The Fund's investment then consists of 1,748,252 shares of Series C Preferred Stock at a valuation of $4.29 per share.

On October 23, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $10,000,001 investment in the Series C Preferred Stock issue of EXP Systems, Inc. ("EXP") by 50%. The Fund's investment now consists of 1,748,252 shares of Series C Preferred Stock at a valuation of $2.1450 per share.

EXP.com, Inc. has changed its name to EXP Systems, Inc.

SONEXIS, INC. (Formerly eYak, Inc.)

On May 8, 2001 and as a result of its acquisition of Brooktrout Software, eYak, Inc. said that the combined company has changed its name to Sonexis, Inc.

ACTELIS NETWORKS, INC.

On May 21, 2001, the Fund entered into an approximately $5,000,000 investment in Actelis Networks, Inc. ("Actelis"). The Fund's investment consists of 1,506,025 shares of Series C Convertible Preferred Stock ("Series C Preferred Stock") at $3.32 per share.

The Series C Preferred Stock ranks senior, with respect to liquidation preference, to any series of Preferred Stock issued prior to the Series C and senior to the Common Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series C Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

DATAPLAY, INC.

On June 4, 2001, the Fund entered into a $7,500,000 investment in DataPlay, Inc. ("DataPlay"). The Fund's investment consists of 2,500,000 shares of Series D Convertible Preferred Stock ("Series D Preferred Stock") at $3.00 per share.

The Series D Preferred Stock ranks pari passu, with respect to liquidation preference, to the Series B Preferred Stock and the Series C Preferred Stock and senior the Series A Preferred Stock and Common Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series D Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

BLUESTAR SOLUTIONS, INC. (Formerly eOnline, Inc.)

On June 13, 2001, eOnline, Inc., changed its name to BlueStar Solutions, Inc.

On October 23, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's approximately $10,000,000 investment in the Series C Convertible Preferred Stock ("Series C Preferred Stock") issue of BlueStar Solutions, Inc. ("BlueStar") by 75%. The Fund's investment now consists of 1,360,544 shares of Series C Preferred Stock at a valuation of $1.8375 per share and 136,054 warrants at a valuation of $0.00 per share.

The warrants expire at the earlier of (i) May 26, 2003 or (ii) BlueStar's Qualified Initial Public Offering ("Qualified IPO").

PROCESSCLAIMS

On June 13, 2001, the Fund entered into a $2,000,000 investment in ProcessClaims ("ProcessClaims"). The Fund's investment consists of 6,250,000 shares of Series C Convertible Preferred Stock ("Series C Preferred Stock") at $0.32 per share.

The Series C Preferred Stock ranks senior, with respect to liquidation preference, to the Series A Preferred Stock and the Series B Preferred Stock and senior the Common Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series C Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

IQDESTINATION

On June 27, 2001, the Fund entered into a follow-on investment of $920,000 of Series C Convertible Preferred Stock in IQdestination ("IQdestination"). The Fund's investment consists of 1,295,775 shares of Series C Convertible Preferred Stock ("Series C Preferred Stock") at $0.71 per share.

The Series C Preferred Stock ranks pari passu, with respect to liquidation preference, to the Series B Preferred Stock and senior the Common Stock and any Junior Preferred Stock. In the event of a Qualified Initial Public Offering ("Qualified IPO"), the Series C Preferred Stock, as converted to common stock, will not be transferred in a public distribution prior to one hundred and eighty days after the date of the final prospectus used in such Qualified IPO.

Due to the investment in Series C Preferred Stock at a lower price per share than the Series B Convertible Preferred Stock ("Series B Preferred Stock"), the value of the Series B Preferred Stock was subsequently marked down in accordance with the valuation policies as set forth in the Fund's Registration Statement.

ANNUNCIO SOFTWARE, INC.

On July 25, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $5,000,000 investment in the Series E Convertible Preferred Stock ("Series E Preferred Stock") issue of Annuncio Software, Inc. ("Annuncio") by 25%. The Fund's investment now consists of 625,000 shares of Series E Preferred Stock at a valuation of $6.00 per share.

FOLIO*fn*, INC.

On July 25, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $15,000,000 investment in the Series C Convertible Preferred Stock ("Series C Preferred Stock") issue of FOLIO*fn*, Inc. ("FOLIO*fn*") by 25%. The Fund's investment then consisted of 5,802,259 shares of Series C Preferred Stock at a valuation of $1.9389 per share.

On October 26, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $15,000,000 investment in the Series C Preferred Stock issue of FOLIO*fn* by another 25%. The Fund's investment now consists of 5,802,259 shares of Series C Preferred Stock at a valuation of $1.2926 per share.

SHOPEAZE SYSTEMS, INC. (Formerly ShopEaze.com, Inc.)

On July 25, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $6,000,000 investment in the Series B Convertible Preferred Stock ("Series B Preferred Stock") issue of ShopEaze Systems, Inc. ("ShopEaze") by 25%. The Fund's investment then consisted of 2,097,902 shares of Series B Preferred Stock at a valuation of $2.15 per share.

On October 23, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's $6,000,000 investment in the Series B Preferred Stock issue of ShopEaze by 50%. The Fund's investment now consists of 2,097,902 shares of Series B Preferred Stock at a valuation of $1.0725 per share.

ShopEaze.com, Inc. has changed its name to ShopEaze Systems, Inc.

*info*USA.COM, INC.

On September 28, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's approximately $10,000,000 investment in the Series B Convertible Preferred Stock ("Series B Preferred Stock") issue of *info*USA.com, Inc. ("*info*USA.com") by 32.5%. The Fund's investment now consists of 2,145,922 shares of Series B Preferred Stock at a valuation of $3.1455 per share.

ENDYMION SYSTEMS, INC.

On October 26, 2001, the Valuation Committee of the Board of Directors marked down the valuation of the Fund's approximately $7,000,000 investment in the Series A Preferred Stock ("Series A Preferred Stock") issue of Endymion Systems, Inc. ("Endymion") by 25%. The Fund's investment now consists of 7,156,760 shares of Series A Preferred Stock at a valuation of $0.7336 per share.

8. Subsequent Events

On November 29, 2001, the Fund entered into an investment of approximately $4,000,000 of Series E Preferred Stock of 0-In Design Automation, Inc.

On December 4, 2001 the Fund declared an ordinary income cash dividend of $0.044163 per share, payable on January 3, 2002, to stockholders of record at the close of business on December 10, 2001. The Fund went ex-dividend on December 6, 2001.

To the Board of Directors and Shareholders of
meVC Draper Fisher Jurvetson Fund I, Inc.

In our opinion, the accompanying balance sheet, including the schedule of investments, and the related statements of operations, cash flows and of shareholders' equity and the selected per share data and ratios present fairly, in all material respects, the financial position of meVC Draper Fisher Jurvetson Fund I, Inc. (the "Fund") at October 31, 2001, the results of its operations, cash flows, shareholders' equity and selected per share data and ratios for the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and selected per share data and ratios (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of securities at October 31, 2001 by correspondence with the custodian, provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
December 7, 2001

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Name and Occupation	Age	Since
John M. Grillos * Chairman of the Board, Chief Executive Officer of the Fund	59	2000
Peter S. Freudenthal * (2) Vice-Chairman, President, Director of the Fund	38	2000
Larry J. Gerhard (1) (3) Director of the Fund	60	2000
Harold E. Hughes, Jr (1) (3) Director of the Fund	55	2000
Chauncey F. Lufkin (1) (2) (3) Director of the Fund	44	2000
Paul D. Wozniak * (2) Vice-President, Chief Financial Officer, Treasurer, Secretary of the Fund	37	2000

* "Interested Person" as defined in the Investment Company Act
(1) Member of Audit Committee
(2) Member of Valuation Committee
(3) Member of the Committee of the Independent Directors

John M. Grillos is Chairman, Chief Executive Officer and a director of the Fund. Mr. Grillos is also the Managing Member of Draper Advisers. He is also founder and Managing General Partner of ITech Partners, L.P., a seed stage information technology fund. Mr. Grillos has over thirteen years experience in information technology venture capital investing and twenty-one years of entrepreneurial, professional and managerial experience in information technology. Most recently, Mr. Grillos served as the Executive Vice President, Chief Operating Officer and is a director of SmartForce PLC (formerly CBT Group PLC), or SmartForce, a leading supplier of e-learning products with revenues exceeding $200 million. From 1997 to 1998, Mr. Grillos served as Managing Director at SoundView Venture Partners, L.P., where he was responsible for managing the venture capital business activities of SoundView Financial Group, an information technology-focused investment bank recently acquired by Wit Capital. From 1988 to 1997, Mr. Grillos was Managing Director responsible for information technology venture capital investing for Robertson, Stephens & Co., a San Francisco-based investment bank focused on high technology and high growth industries. From 1985 to 1987, Mr. Grillos served as President and Chief Operating Officer of SPSS, Inc., a leading supplier of statistical analysis, graphics and decision support software. From 1983 to 1985, Mr. Grillos served as President and Chief Executive Officer of Tesseract Corporation, a venture-backed supplier of payroll and human resource software. From 1972 to 1983, Mr. Grillos held various management positions with American Management Systems, an information technology consulting and custom application development company. For the last five of his 11 years with AMS, Mr. Grillos was Vice President and Business Unit Manager responsible for the operations of AMS on the West Coast. From 1968 to 1972, Mr. Grillos worked as a Development Manager and Principal Designer for the Institute for Computer Research, University of Chicago, where he was responsible for developing computerized control and data acquisition systems for several departments of the University. From 1965 to 1968, Mr. Grillos worked as a Staff Engineer for Bell Labs and Western Electric Company. Mr. Grillos received his M.B.A. from the University of Chicago in 1971 and his B.S. in Electrical Engineering and Computer Science from the Illinois Institute of Technology in 1969.

Peter S. Freudenthal is Vice-Chairman, President, and a director of the Fund. Mr. Freudenthal is also co-founder, President, Chief Executive Officer, and Chairman of the Board of meVC.com, Inc. and President and Chairman of the Board of meVC Advisers, Inc. Previously, Mr. Freudenthal was a Senior Biotechnology Equity Research Analyst and a Vice President with Robertson Stephens & Company. Before joining Robertson Stephens, Mr. Freudenthal also served as Director of Healthcare Research at Brean Murray & Company, a privately held investment bank in New York. Mr. Freudenthal attended the Yale School of Medicine where he focused on Neurosurgery and Trauma Surgery. Prior to medical school, Mr. Freudenthal was Senior Graduate Fellow in the Laboratory of Immunology & Cellular Physiology at The Rockefeller University in New York, as well as a National Science Foundation Fellow and a David C. Scott Foundation Fellow. From 1981 to 1985, Mr. Freudenthal was a Thomas J. Watson Scholar at the IBM Research Center in Yorktown, New York. Mr. Freudenthal received his B.S. with a double major in Molecular Biophysics & Biochemistry and Molecular Biology from Yale College.

Larry J. Gerhard is a director of the Fund. Mr. Gerhard has over 39 years of experience in the computer and electronics industries and has held senior management positions for the past 26 years. He is currently President and Chief Executive Officer at eVineyard. Prior to eVineyard, he was President, Chief Executive Officer and director of Summit Design, Inc. since January 1993 and Chairman of the Board since May 1996. Mr. Gerhard was President and Chief Executive Officer of Enterprise Communications and Computing, Inc. from November 1991 to November 1992. Before that, he was the President and Chief Executive Officer of Ventura Software, Inc. from 1989 to November 1991. Prior to that time, Mr. Gerhard was President and Chief Executive Officer of Decision Data, Inc. He began his career at North American Aviation as a programmer working on the original Apollo Missile program. After 4 years at NAA he joined Raytheon Data and his last position with Raytheon was Senior Vice President of Engineering and Operations. Mr. Gerhard received his B.S. in Electrical Engineering from West Coast University and his M.B.A. from the University of Pittsburgh, Executive M.B.A. Program.

(Item 10 continued)

Harold E. Hughes, Jr is a director of the Fund. Mr. Hughes is a 23-year veteran of Intel during which time he served as Treasurer, Vice President responsible for Intel's venture fund, Chief Financial Officer, and Vice President and Director of Planning and Logistics. Prior to joining Intel, he served as a U.S. Army Officer from 1968-1972. He currently serves on the board of directors of London Pacific Corp., Merant PLC and Hummingbird Communications. Mr. Hughes received his B.A. in Economics from the University of Wisconsin and his M.B.A. from the University of Michigan.

Chauncey F. Lufkin is a director of the Fund. Mr. Lufkin is also Senior Vice President of Franklin Advisers, Inc. (a subsidiary of Franklin Resources, listed on the NYSE), and Portfolio Manager of Franklin Floating Rate Trust, a mutual fund focusing on floating rate debt approaching $2 billion in assets under management. Mr. Lufkin launched Franklin Floating Rate Trust in 1997. More recently, he has focused on launching two related products, a version of the bank debt fund (Franklin Floating Rate Fund PLC) for foreign investors, and a collateralized loan obligation (CLO) for institutional investors. Before launching Franklin Floating Rate Trust, Mr. Lufkin was portfolio manager of Franklin Principal Maturity Trust, a debt strategies fund that traded on the New York Stock Exchange. Earlier in his career, Mr. Lufkin worked for Manufactures Hanover Trust Co. (since acquired by Chase Manhattan Bank) in the acquisition finance group specializing in structuring leveraged transactions. He also worked at the merchant bank arm of Security Pacific National Bank (since acquired by Bank of America). Mr. Lufkin received his B.A. in History from St. Lawrence University.

Paul D. Wozniak is Vice President, Chief Financial Officer, Treasurer, and Secretary of the Fund. Mr. Wozniak is also Chief Operating Officer for meVC.com, Inc. and Vice President of Operations for meVC Advisers, Inc. Mr. Wozniak has fifteen years experience in international fund management operations. Previously, Mr. Wozniak served in various operational roles, most recently as Vice President and Director, Mutual Fund Operations, at GT Global Inc./AIM Funds. At GT Global, Mr. Wozniak was responsible for the overall management of the mutual fund accounting and pricing groups for the GT Global mutual fund family, comprising over $10 billion in 37 funds invested worldwide. Mr. Wozniak also served as an officer of both GT Global Inc. and the GT Global Family of Funds. Mr. Wozniak received his B.S. in Accounting from the University of Scranton.

There is no family relationship between any director or executive officer of the Fund.

ITEM 11. EXECUTIVE COMPENSATION

The Fund's board does not have a standing nominating or compensation committee. meVC Advisers has agreed to pay compensation to the directors and officers for any and all services rendered to the Fund. As compensation for such services, each director who is not an officer of the Fund receives an annual fee of $4,800 paid monthly in arrears, a fee of $10,000 for each meeting of the Board of Directors, or a committee of the Board of Directors, in which each such independent director participates, whether attended in person or by telephone, and reimbursement of all out-of-pocket expenses relating to attendance at such meetings. Directors of the Fund who are "interested persons" as defined by the 1940 Act receive no compensation from the Fund.

(Item 11 continued)

Compensation Table

Name of Person, Position	Total Compensation
Larry J. Gerhard, Director	$108,784
Harold E. Hughes, Jr., Director	$107,600
Chauncey F. Lufkin, Director	$107,600

*Represents fees paid to each director during the fiscal year ended October 31, 2001.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

PRINCIPAL STOCKHOLDER

The Fund does not know of any person who is a beneficial owner of more than 5% of the outstanding shares of the Fund's common stock.

OWNERSHIP OF MANAGEMENT

The following table sets forth at October 31, 2001, the number and percentage of outstanding shares of the Fund's common stock beneficially held by (i) each director of the Fund, and (ii) all officers and directors as a group. Under the rules of the SEC, a person is deemed to own beneficially all securities as to which that person owns or shares voting or investment power, as well as all securities which such person may acquire within 60 days through the exercise of currently available conversion rights, warrants or options. Except as otherwise indicated, the stockholders listed in the table below have sole voting and investment power with respect to the shares indicated.

Amount and Nature of Beneficial Ownership of Common Stock

Name	Sole Voting and Investment Power	Other Beneficial Ownership	Total	Percent of Class
John M. Grillos	13,862.08579	0	13,862.08579	*
Peter S. Freudenthal	0	0	0	0
Larry J. Gerhard	0	0	0	0
Harold E. Hughes, Jr.	0	0	0	0
Chauncey F. Lufkin	0	0	0	0
Paul D. Wozniak	0	0	0	0
All Directors and Officers as a group	13,862.08579	0	13,862.08579	*

*Indicates less than one percent.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Adviser, pursuant to the terms of the Investment Advisory Agreement, is responsible for the supervision of portfolio investments. Transactions between the Fund and the Adviser, including operational responsibilities, duties and compensation, are governed by the Investment Advisory Agreement. Throughout the term of the Investment Advisory Agreement, the Fund will pay to the Adviser an annual management fee of 2.5% of the Fund's average weekly net assets, payable monthly, in arrears. For the year ended October 31, 2001, the Investment Adviser earned an investment advisory fee in the aggregate amount of $7,388,061.

The Sub-Advisor, pursuant to the terms of the Investment Sub-Advisory Agreement, is responsible, on a day-to-day basis for the selection and supervision of portfolio investments. The Sub-Adviser provides all co-investment opportunities for approval by the Fund's Board of Directors. Throughout the term of the Investment Sub-Advisory Agreement, the Adviser will pay to the Sub-Adviser an annual management fee of 1.0% of the Fund's average weekly net assets, payable monthly, in arrears. For the year ended October 31, 2001, the Investment Sub-Adviser earned an investment advisory fee in the aggregate amount of $2,955,224.

The Adviser has entered into a sub-advisory agreement with Fleet Investment Advisors, Inc. (the "Short-Term Money Manager"). The Short-Term Money Manager provides all short-term management of the Fund's uninvested cash. The sub-advisory fees are not an additional expense to the Fund.

As stated above in Item 1 (Business—Co-Investments and Follow-On Investments) and in Item 8 (Note 5 of the notes accompanying the financial statements in "Transactions with Related Parties"), the Fund co-invests in Portfolio Companies from time to time with affiliates of the Fund and the Investment Sub-Adviser, including certain venture capital investment partnerships. The Fund's co-investments with such affiliates are subject to the terms and conditions of the exemptive order granted by the Commission, which relieves the Fund from certain provisions of the Act and permits certain joint transactions with the investment partnerships.

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES AND REPORTS ON FORM 8-K

All other information required in the financial statement schedules has been incorporated in the financial statements or notes thereto or has been omitted since the information is not applicable, not present or not present in amounts sufficient to require submission of the schedule.

REPORTS ON FORM 8-K

No reports on Form 8-K were filed by the Fund during the year for which this report is filed.

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meVC Draper Fisher Jurvetson Fund I

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

John M. Grillos
Chairman of the Board,
Chief Executive Officer
and Director

Peter S. Freudenthal
Vice-Chairman and Director

Larry J. Gerhard
Director

Harold E. Hughes, Jr.
Director

Chauncey F. Lufkin
Director

Paul D. Wozniak
Vice President,
Chief Financial Officer,
Secretary and Treasurer

FOR MORE INFORMATION

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Redwood City, CA 94063

General Counsel
Kirkpatrick & Lockhart, LLP

Independent Auditors
PricewaterhouseCoopers, LLP

**Transfer Agent &
Dividend Disbursing Agent**
State Street Bank & Trust Company
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For more information about meVC Draper Fisher Jurvetson Fund I and its portfolio companies, please visit the meVC website at www.mevc.com.

This report is intended only for the information of shareholders or those who have received the offering prospectus covering shares of Common Stock of the meVC Draper Fisher Jurvetston Fund I, Inc., which contains information about the sales charges, management fee, and other costs. Please read the prospectus carefully before investing.