



INVESTMENT CASE STUDY

SUBMISSION

Group Name:

1. Raghuram Krishnamurthy
2. Rajarshi Ghoshal
3. Piyush Baid
4. Samuel Jeyasingh

Objective of presentation

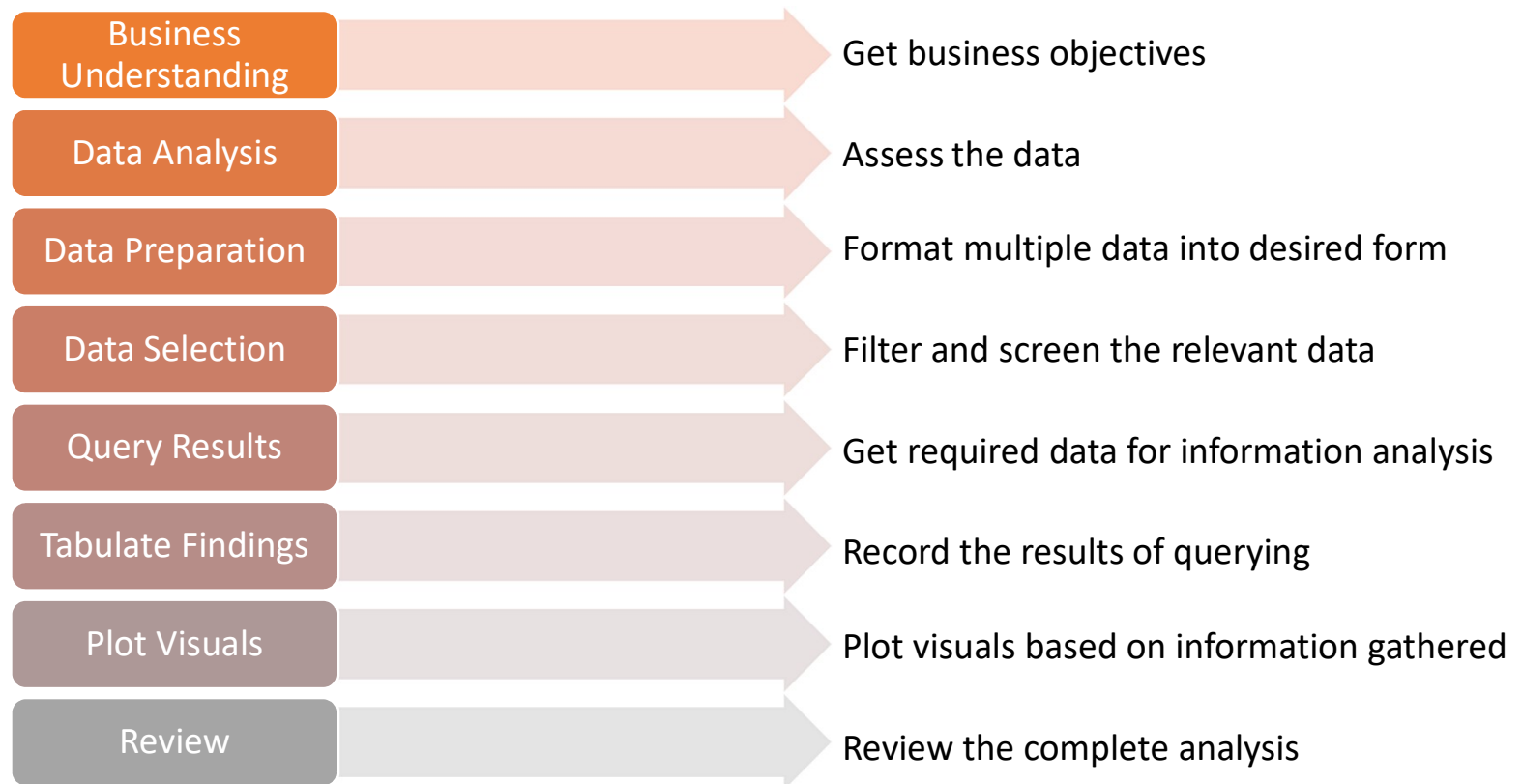
- Understand global trends in investments
 - Key question: Where are other investors investing?
- Make investment decisions effectively
- Make investment decisions in few companies subject to investment criteria
 - USD 5 to 15 million per round of investment
 - English speaking countries
- Conclusions
 - Best sectors, countries and investment type for making investments



Abstract

- Spark's investment criteria matches an opportunity of USD 754 Bn.
 - Investment in Venture, Private Equity, Seed or Angel type of investments
- The largest opportunity set for Spark will be in Venture capital investment
- Over 94% of the venture investments since 1960 continue to be operational, suggesting a robust entrepreneurial climate for investment
- Average investment size of USD 11.8 m meets the criteria set by Spark for determining target investment type
- Investment opportunity is concentrated with top 9 countries contributing 89% of total investments tracked
- Among English speaking countries, the United States, Great Britain and India are the top 3 stand-out markets with maximum investor following and transaction history
- Cleantech and Social/Analytics sectors appear to have attracted the maximum investments of the kind Spark intends to pursue
- We recommend, that Spark focus on Venture opportunities with specific target markets among USA, United Kingdom and India.
- Further analysis on growth trends by sector and sub-sector can help in identifying specific focus markets for Spark

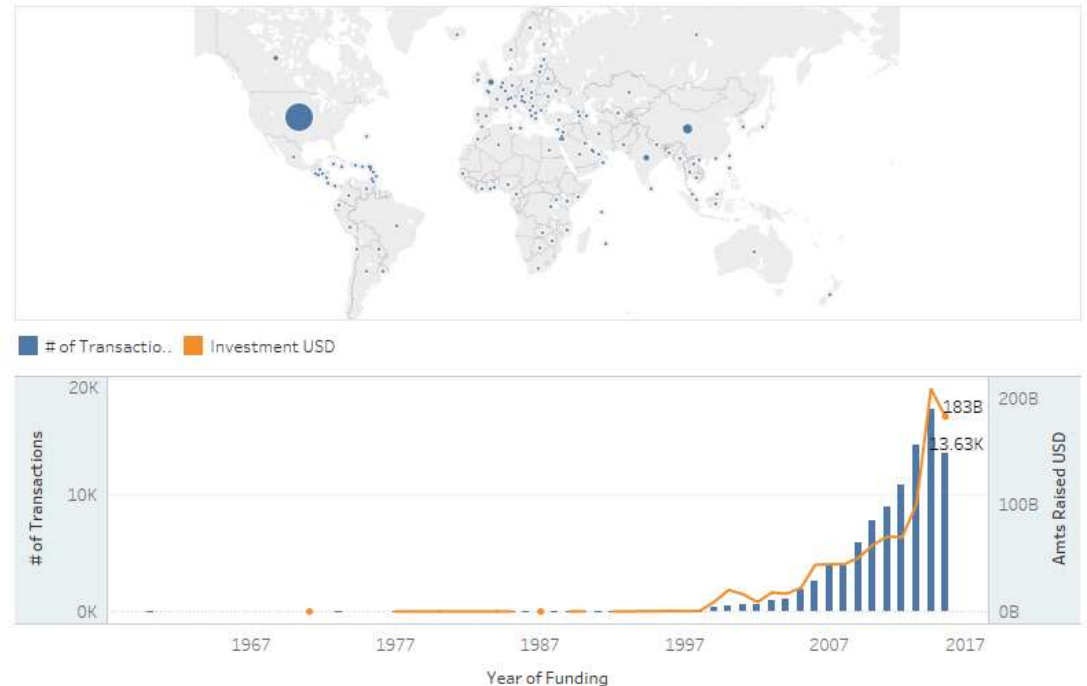
Problem solving methodology



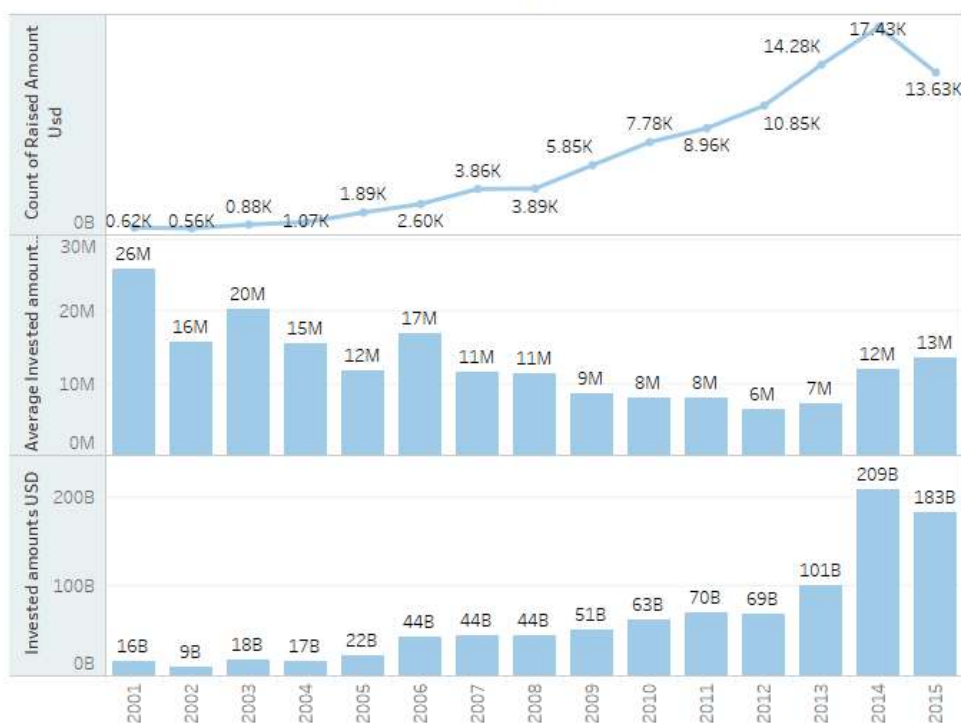
Scope of data analysis is comprehensive

- The analysis considers 114,949 data points across 17 variables and data covers
 - Time Period from 1960 to 2015
 - Total Funding universe of USD 990 Bn across 14 different funding types
 - 66368 unique companies which have had investments
 - 687 different primary sectors
 - 138 countries

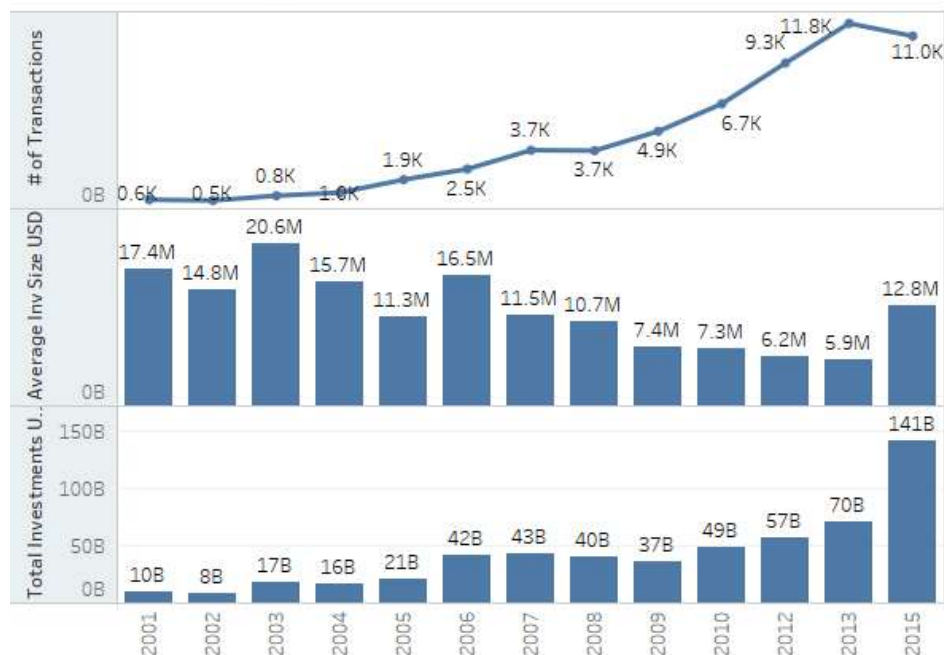
Investments have grown steeply in the past 15 years and cumulate ~ USD 990 Bn across ~ 95k transactions. US and China drive majority of investments



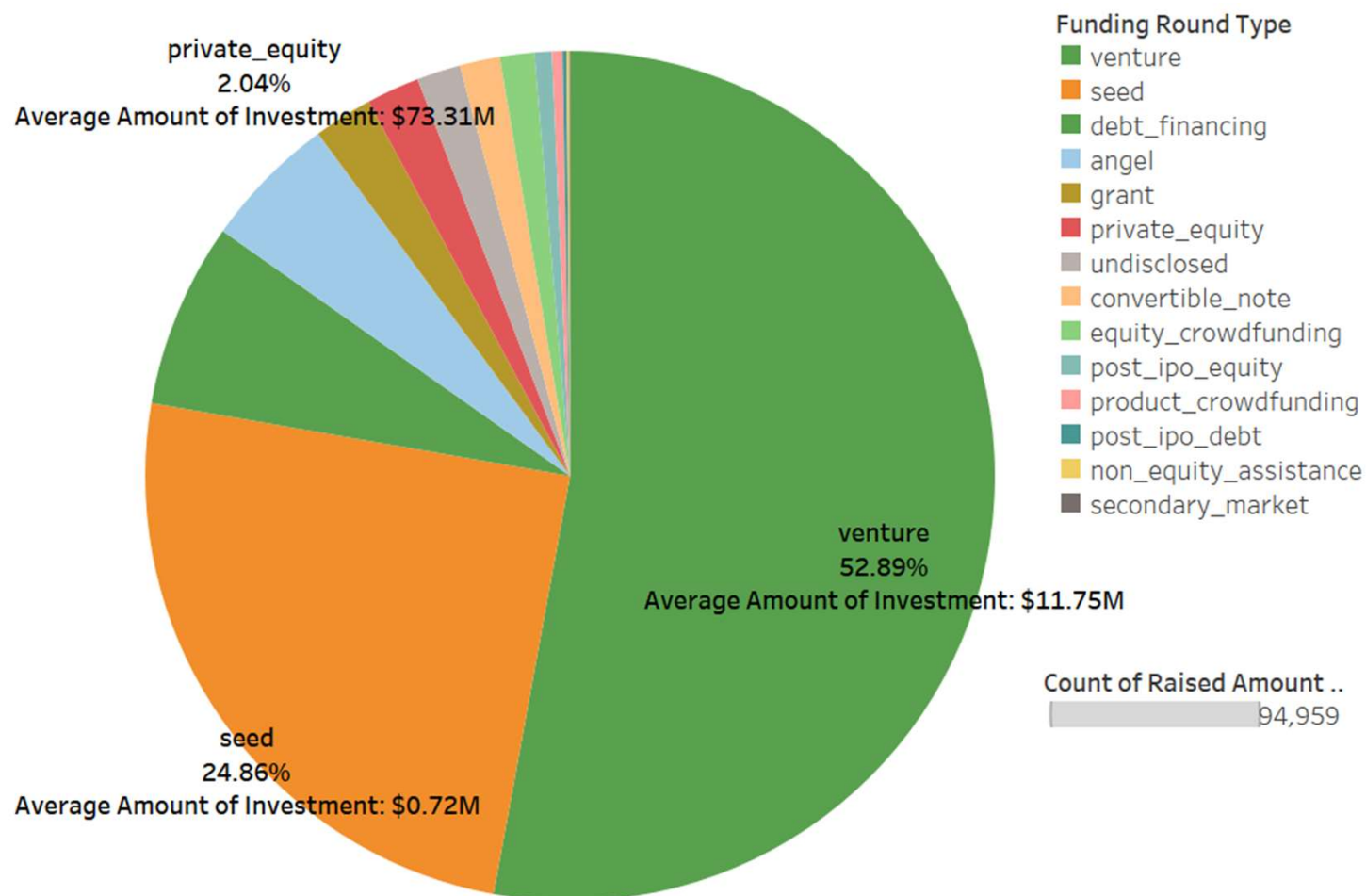
Total investments have grown during 2001-15, and particularly in 2013-15. Average investment sizes range from 6-13 MUSD since 2011



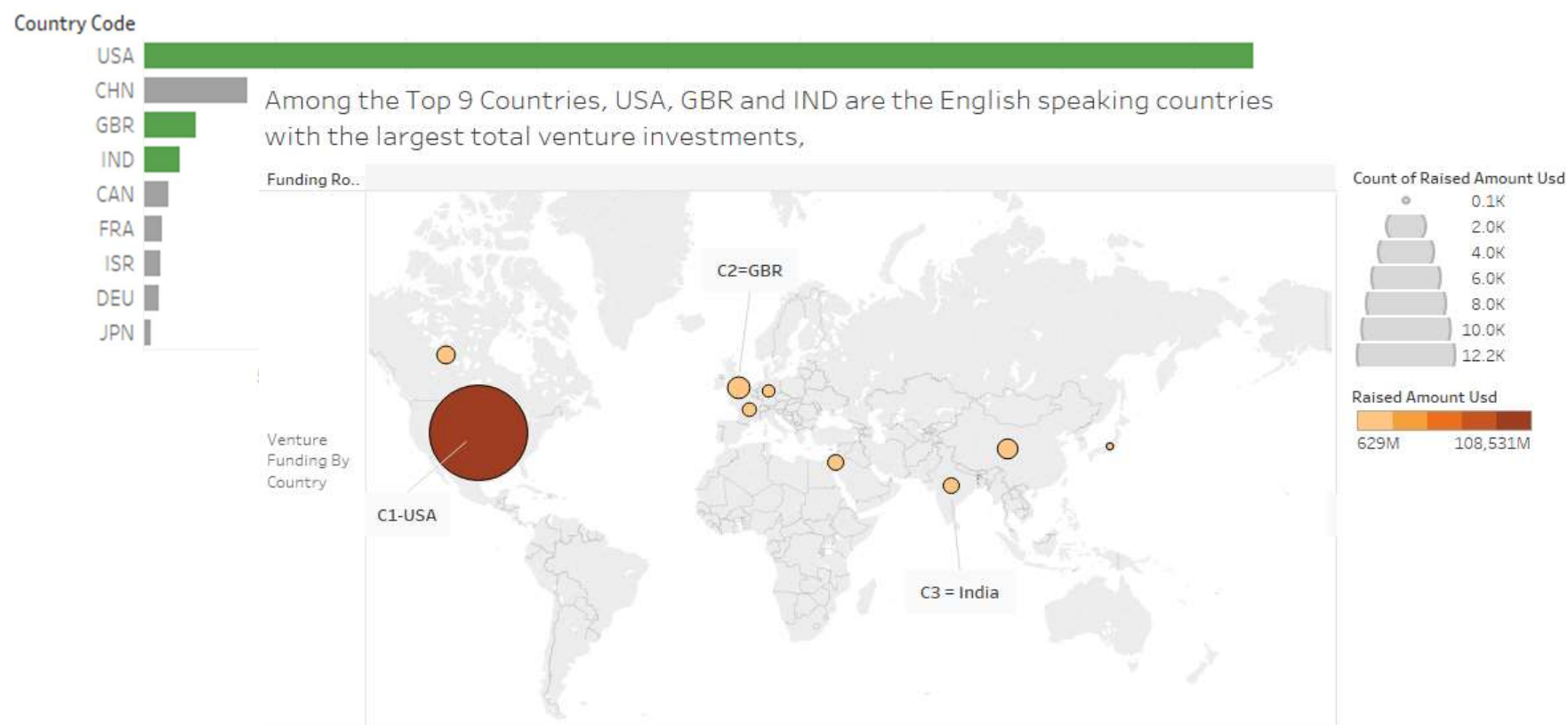
Venture, Seed, Angel and Private Equity investments have grown since 2006 and account for USD 141 Bn in investments in 2015. Average investment size ranged from 5.9 to 12.8m USD in the last 5 years



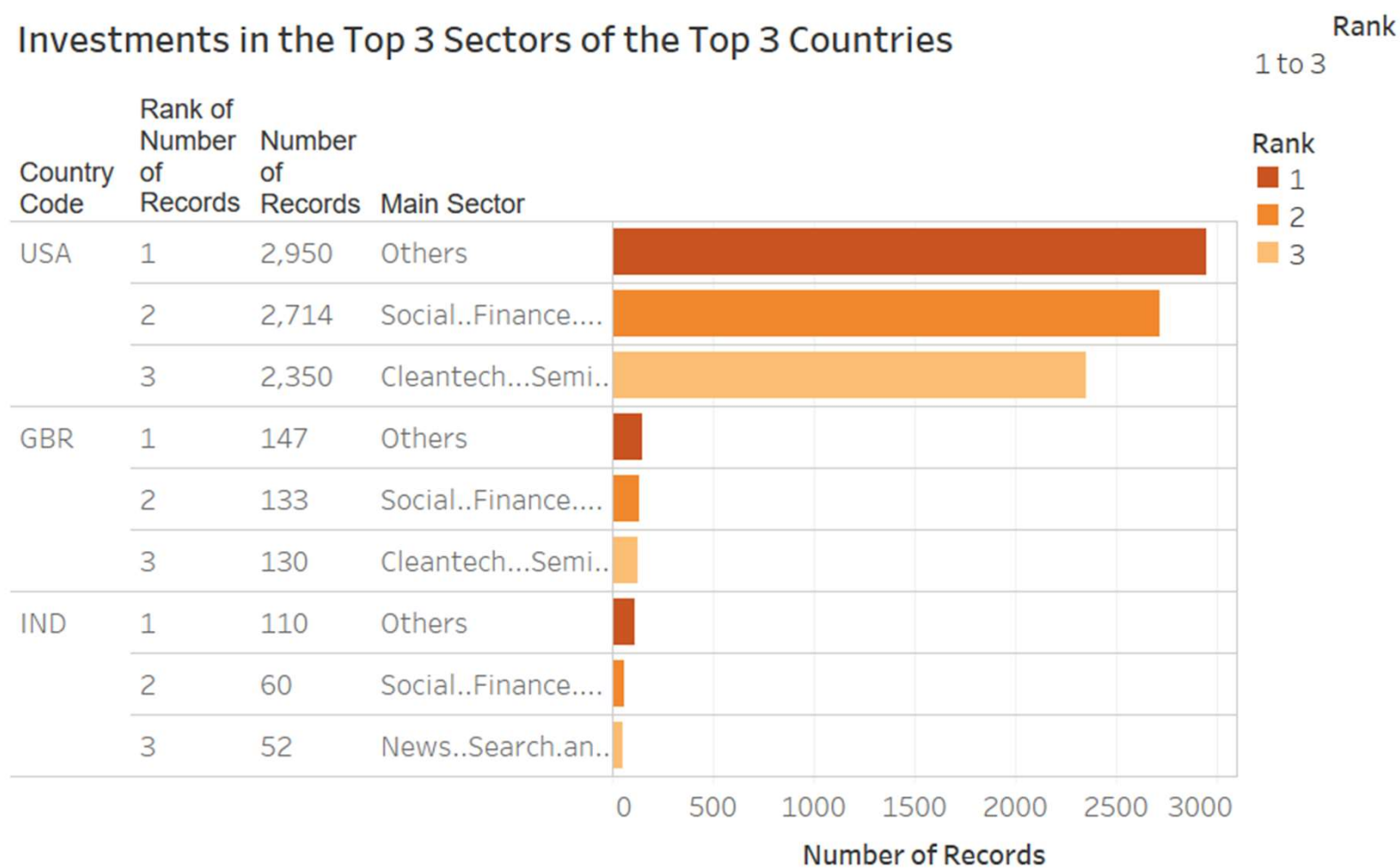
Percentage of selected investment type



Venture investment opportunity appears concentrated with share of top 9 countries in total investment at 89%



Investments in the Top 3 Sectors of the Top 3 Countries



Conclusions

- Based on historical trends, we can conclude that Spark has a large opportunity set matching its funding criteria
- High growth in recent years augurs well for Spark's investment activity
- Fast growing markets in USA, United Kingdom, India among English speaking nations and China and Japan among others should be key targets
- Further work may be required to forecast potential growth based on relationships between investments and other macro-economic factors