

INVESTMENT CASE STUDY

SUBMISSION

UpG Case2 group

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Suggest best investment targets for Spark Funds

Background

Spark Funds is an Asset Management Company and wants to identify the best suited investment targets.

Strategy

To invest where most other investors are investing.

Constraints

- Spark Funds wants to invest only in English Speaking countries because of ease of communication
- Wants to invest between 5 to 15 million USD

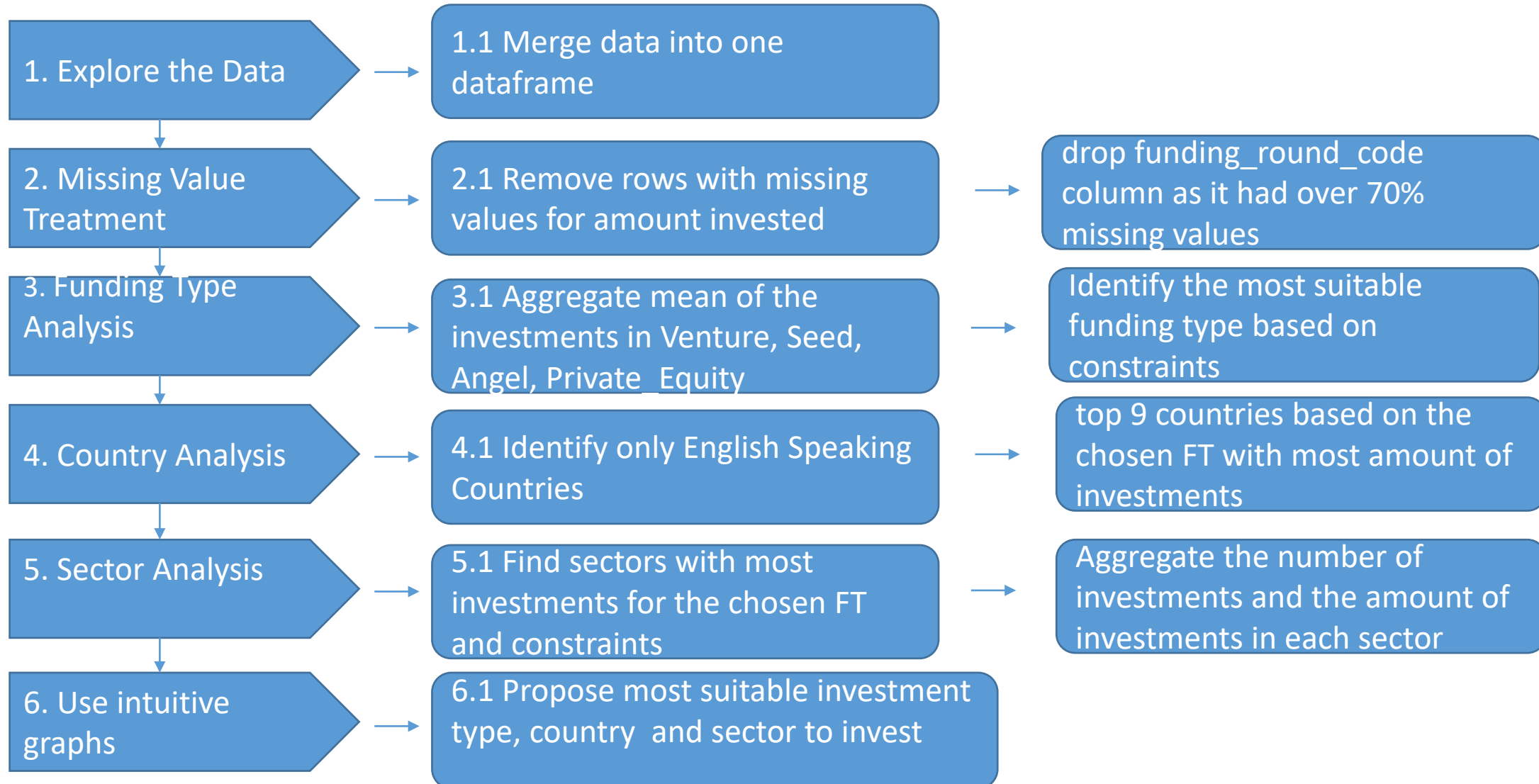
Objectives

- Identify the best investment type
- Identify the best countries to invest in
- Identify the best sectors within the countries

Goals

- Investment type analysis: Comparing the typical investment amounts in the venture, seed, angel, private equity etc. so that Spark Funds can choose the type that is best suited for their strategy.
- Country analysis: Identifying the countries which have been the most heavily invested in the past. These will be Spark Funds' favorites as well.
- Sector analysis: Understanding the distribution of investments across the eight main sectors.

Problem solving methodology



Proposed Funding Type - Venture

Venture Funding
Type

Average Investment
11748949.129 USD

Angel Funding Type

Average Investment
958694.47 USD

Seed Funding Type

Average Investment
719779.62 USD

Private Equity
Funding Type

Average Investment
73308593.029 USD

Venture Funding falls in line with the
Investment Preference of Spark Funds to
invest between 5 Million to 15 Million USD

Proposed Countries to Invest in for Venture Funding Type

English Speaking Countries

Calculated the Average Investment for the Venture Funding Type

Top 9 Countries

Spotted the Top 9 countries with maximum investments for Venture

Top 3 Countries

Further identified the Top 3 most favored Countries

Country	Average Investments (USD)
United States (USD)	4.225108e+11
United Kingdom (GBR)	2.024563e+10
India (IND)	1.439186e+10
Canada (CAN)	9.583332e+09
Singapore (SGP)	2.793918e+09
Ireland (IRL)	1.676131e+09
Australia (AUS)	1.322935e+09
NewZealand (NZL)	4.483164e+08
Nigeria (NGA)	2.454400e+08

Proposed Sector for the Top 3 Countries and the Funding Type

Others has come out as a clear winner across the top 3 countries as an investment candidate

USD
<ul style="list-style-type: none"> Others Social, Finance, Analytics, Advertising Cleantech / Semiconductors

GBR
<ul style="list-style-type: none"> Others Social, Finance, Analytics, Advertising Cleantech / Semiconductors

IND
<ul style="list-style-type: none"> Others Social, Finance, Analytics, Advertising News, Search and Messaging

Investment	USD	GBR	IND
Count	12012	619	328
Amount(USD)	4.23E+11	2.02E+10	1.44E+10
1 st Sector (#)	Others	Others	Others
2 nd Sector (#)	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
3 rd Sector (#)	Cleantech / Semiconductors	Cleantech / Semiconductors	News, Search and Messaging
1 st Sector (#)	2950	147	110
2 nd Sector (#)	2714	133	60
3 rd Sector (#)	2300	128	52
1 st Sector Company (#)	Virtustream	Electric Cloud	FirstCry.com
2 nd Sector Company (#)	SST Inc. (Formerly ShotSpotter)	Celltick Technologies	Manthan Systems

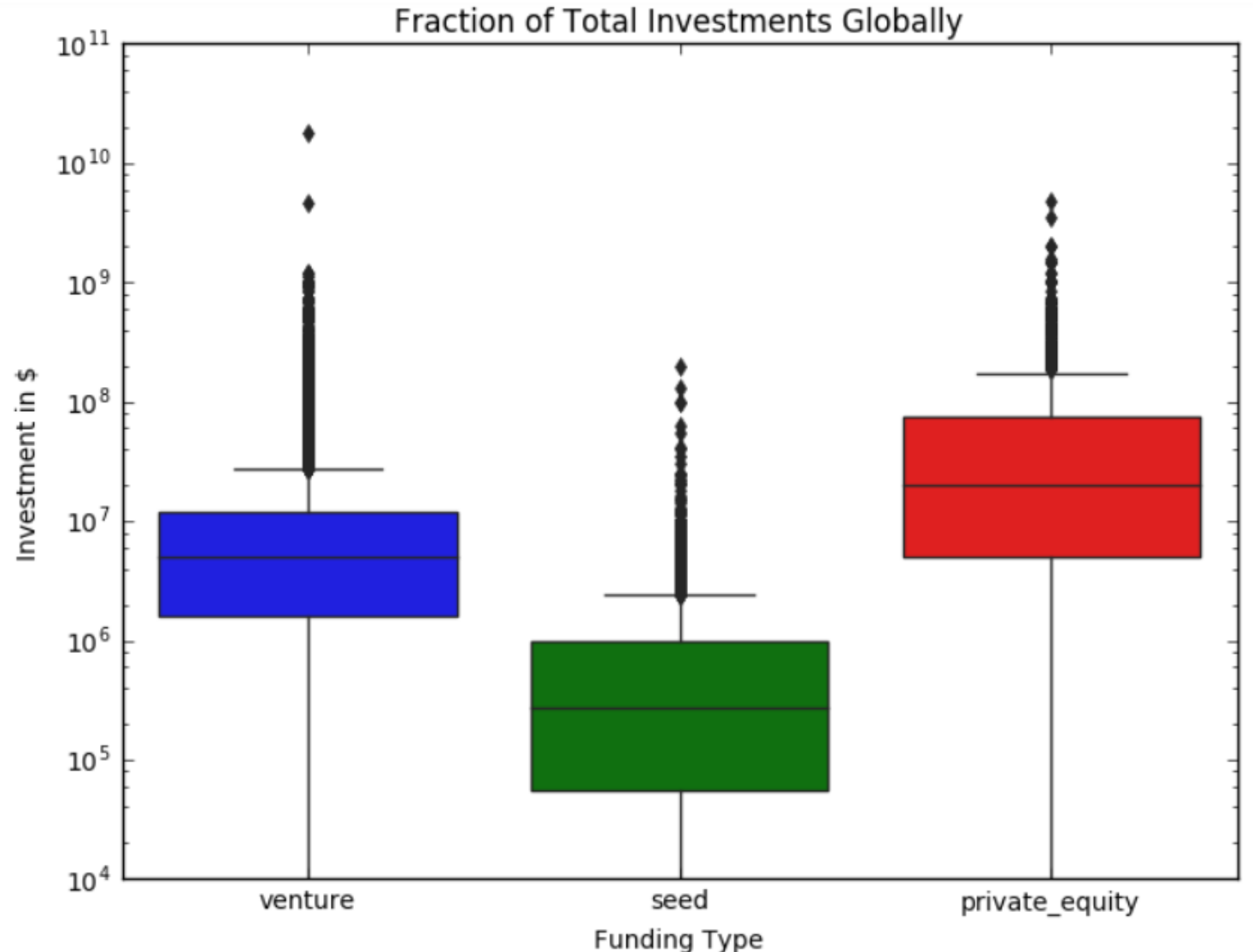
Visualize Investment Funding Types

Plots the Average Investment by Funding Type (Investment Preference 5 to 15 Million USD)

Venture Funding Type clearly falls within the investment range preference of Spark Funds

Seed Investment type is less than 5 Million to 15 Million

Private Equity is much more than the investment range for Spark Funds

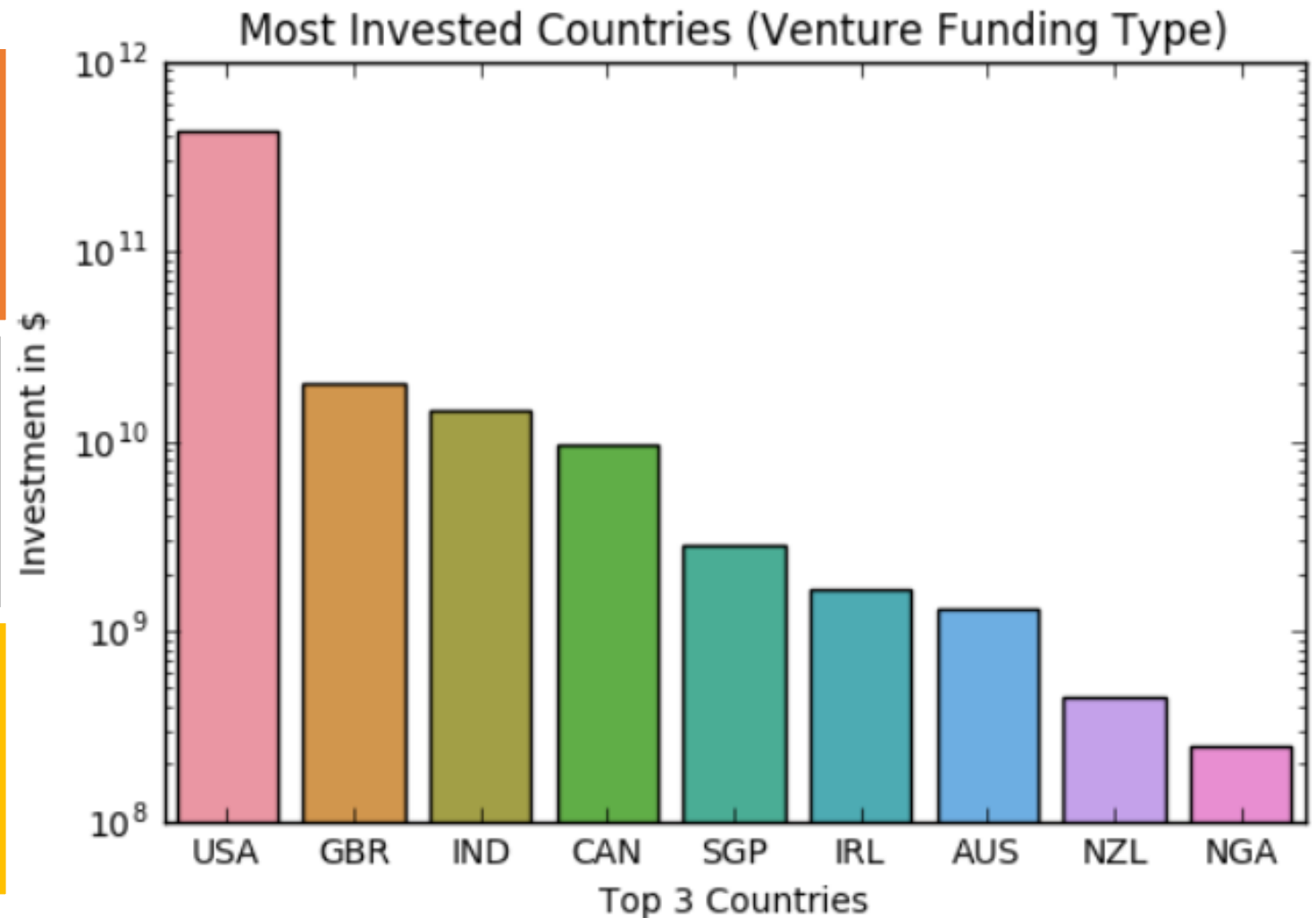


Visualize the Top Countries by Average Investment \$

Plots the Average Investment by Country for the Funding Type Venture

United States, United Kingdom and India have emerged as the top 3 Countries to invest in

This Clearly compliments our findings Private Equity is much more than the investment range for Spark Funds



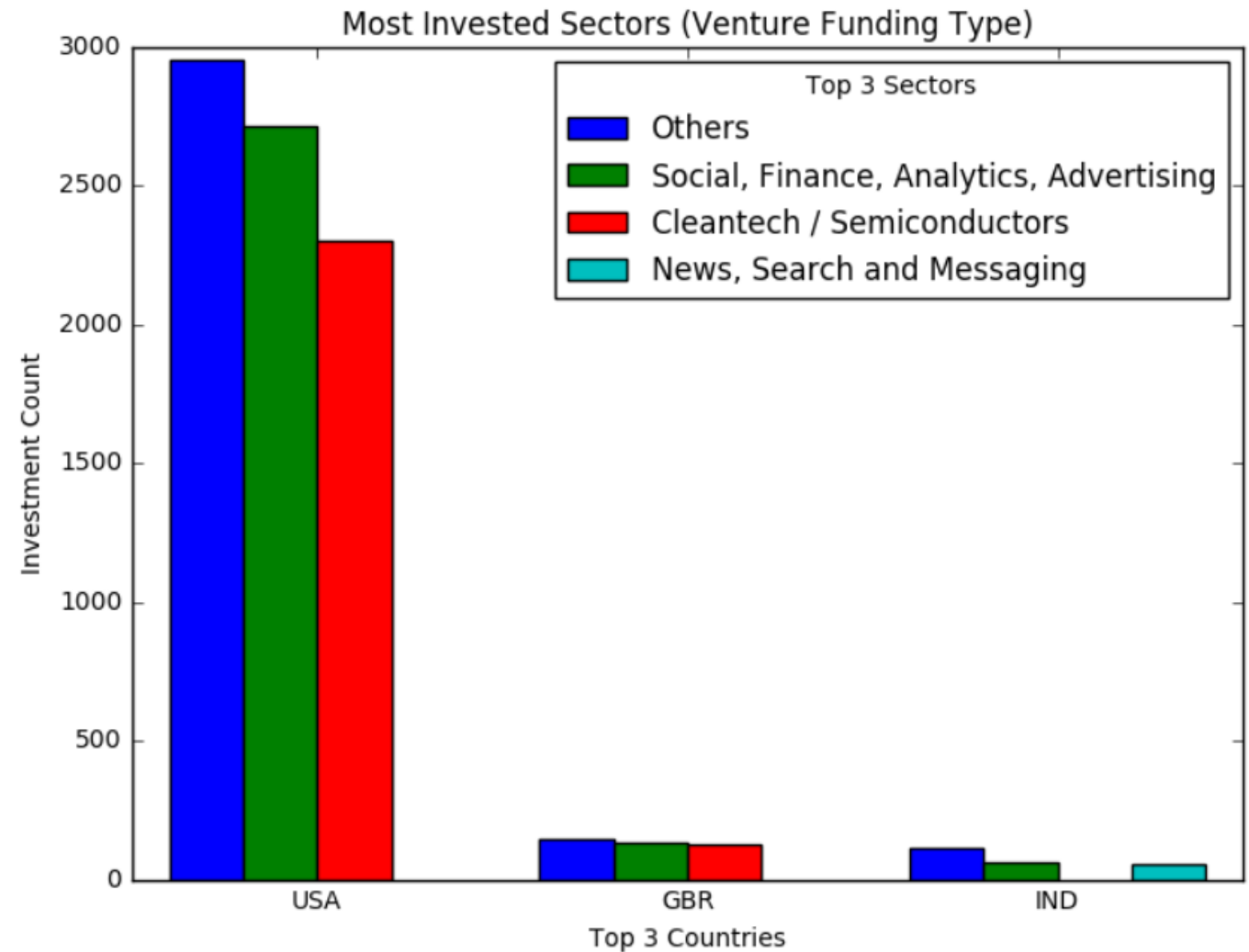
Visualize number of investments in the top 3 sectors of the top 3 countries

Plots the number of Investments by Country by the top 3 Sectors

Others has emerged as the top choice of sector to invest in all the top 3 countries

Social, Finance, Analytics and Advertising is the 2nd choice

Cleantech/Semiconductors is the third choice for USA and UK, while for India it is News, Search and Messaging



Conclusions

Investment Funding Type

- We recommend Venture type as the best one to target investments

Top Countries

- United States, United Kingdom and India are identified as the top countries to invest in

Top Sectors

- For USA and UK we advise to invest in Others; Social, Finance, Analytics, Advertising and Cleantech /SemiConductors sectors
- While for investments in India Spark Funds should target News, Search and Messaging in addition to the above mentioned sectors