

INVESTMENT CASE STUDY

SUBMISSION

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Spark Funds Investments Case Study



Spark Funds, an asset management company wants to make investments in a few companies. Spark Funds wants to understand the global trends in investments in order to make effective decisions on investments.

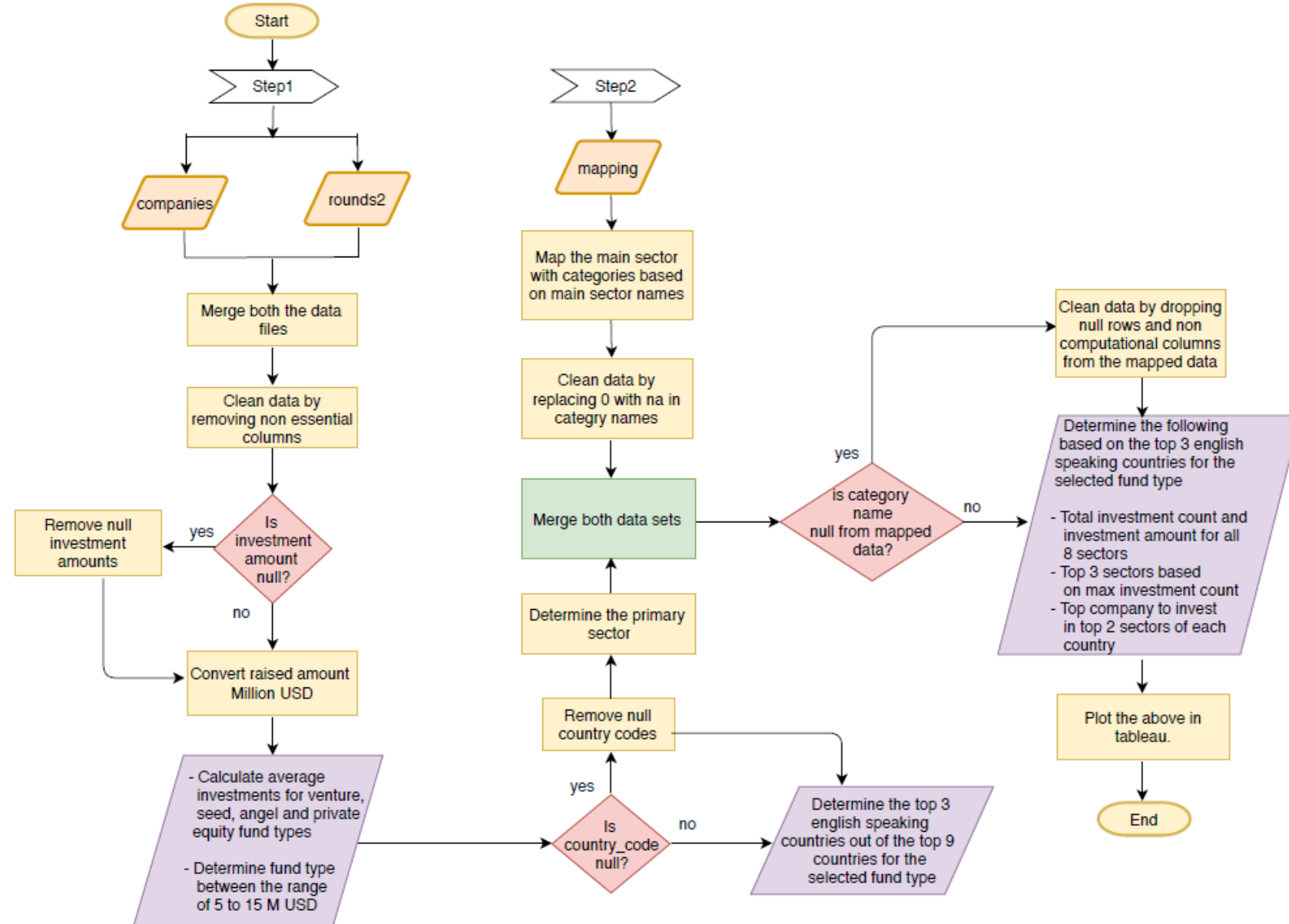
Business Objective :

- Identify the best sectors, countries, and a suitable investment type for making investments

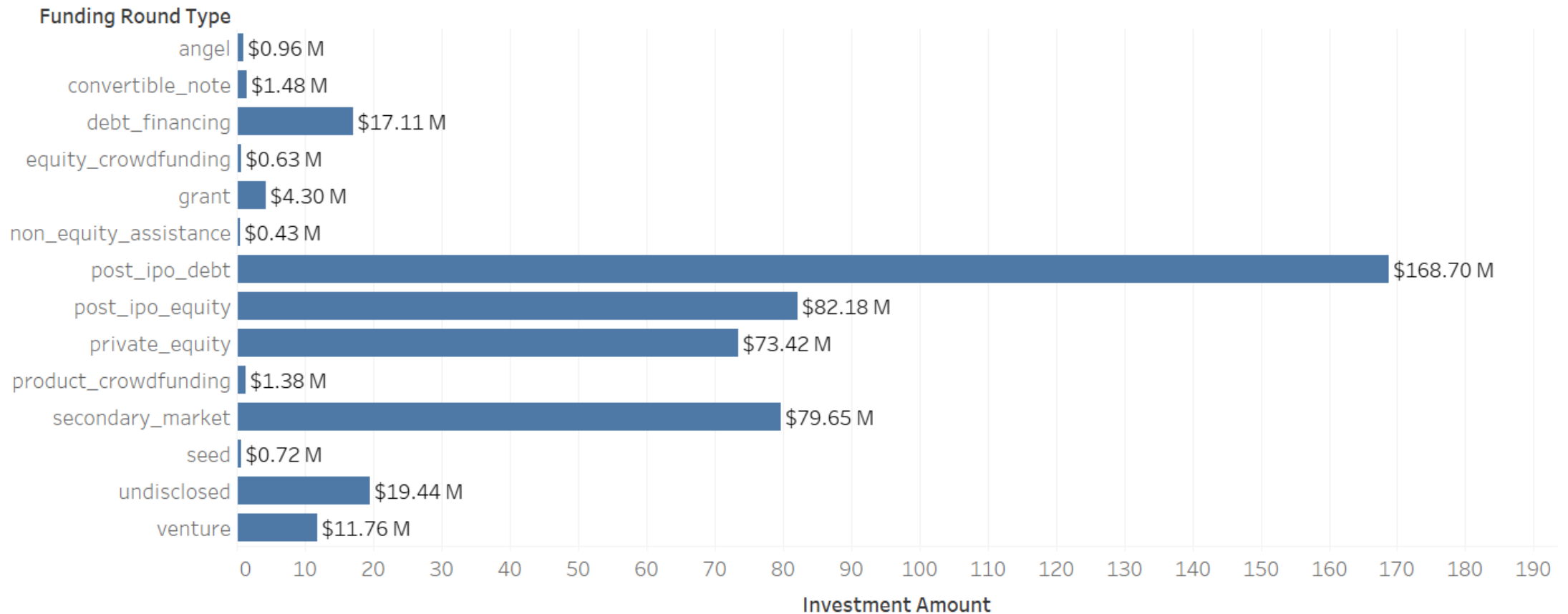
Strategy:

- Invest between **5 to 15 million USD** per round of investment
- Invest only in **English-speaking countries** because of the ease of communication
- Invest where others are investing, implying that the 'best' sectors and countries are the ones 'where most investors are investing'.

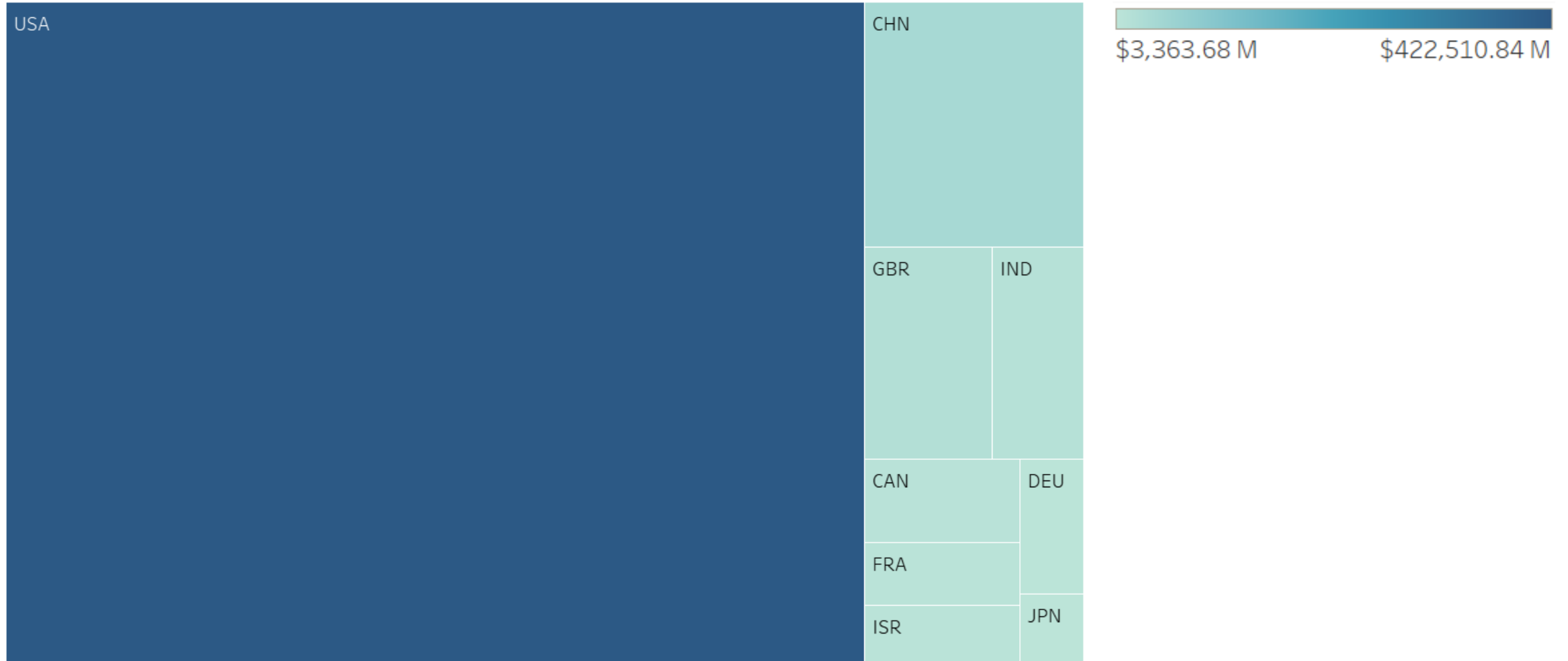
Flowchart



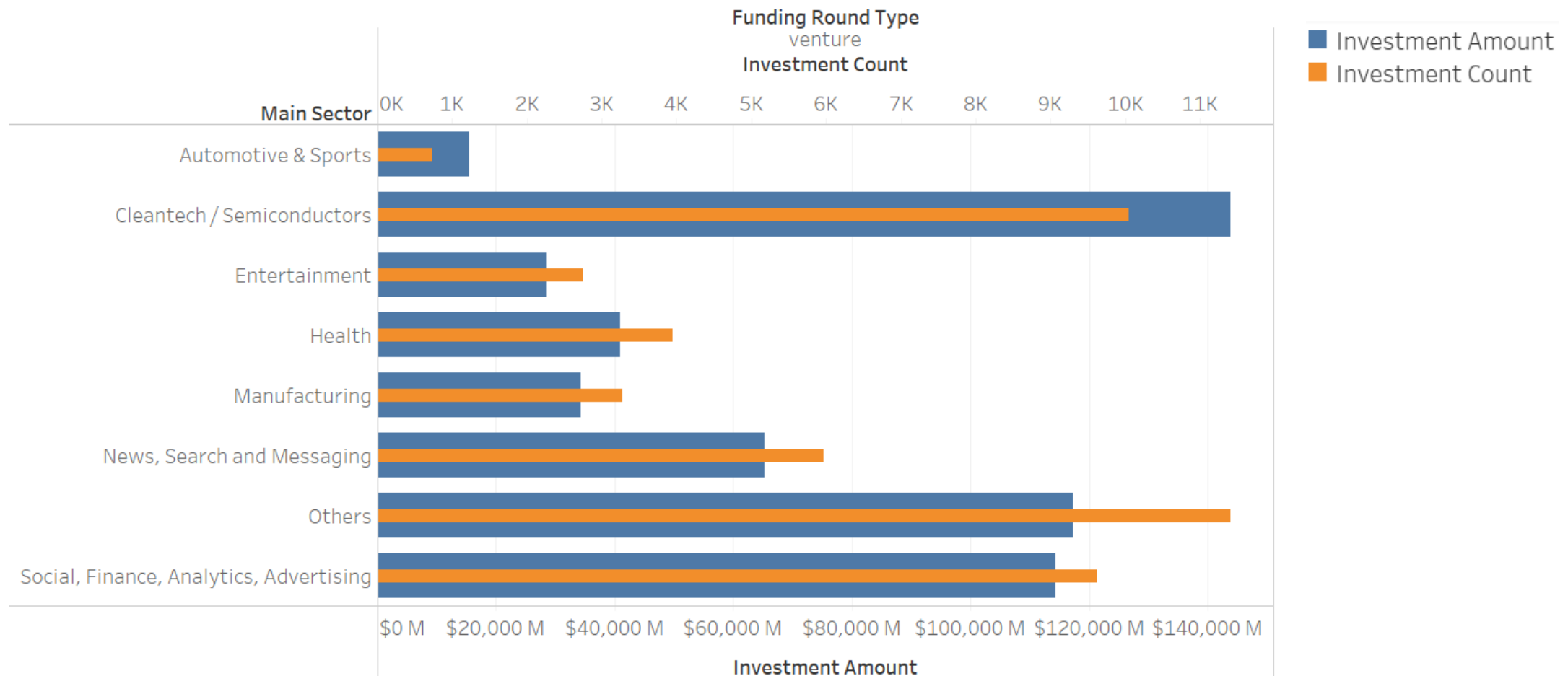
Compare the typical investment amounts in the venture, seed, angel, private equity etc. to choose the type that is best suited. The below graph shows that venture is the best suited fund type as the average investment amount in venture falls between 5 to 15 M USD.



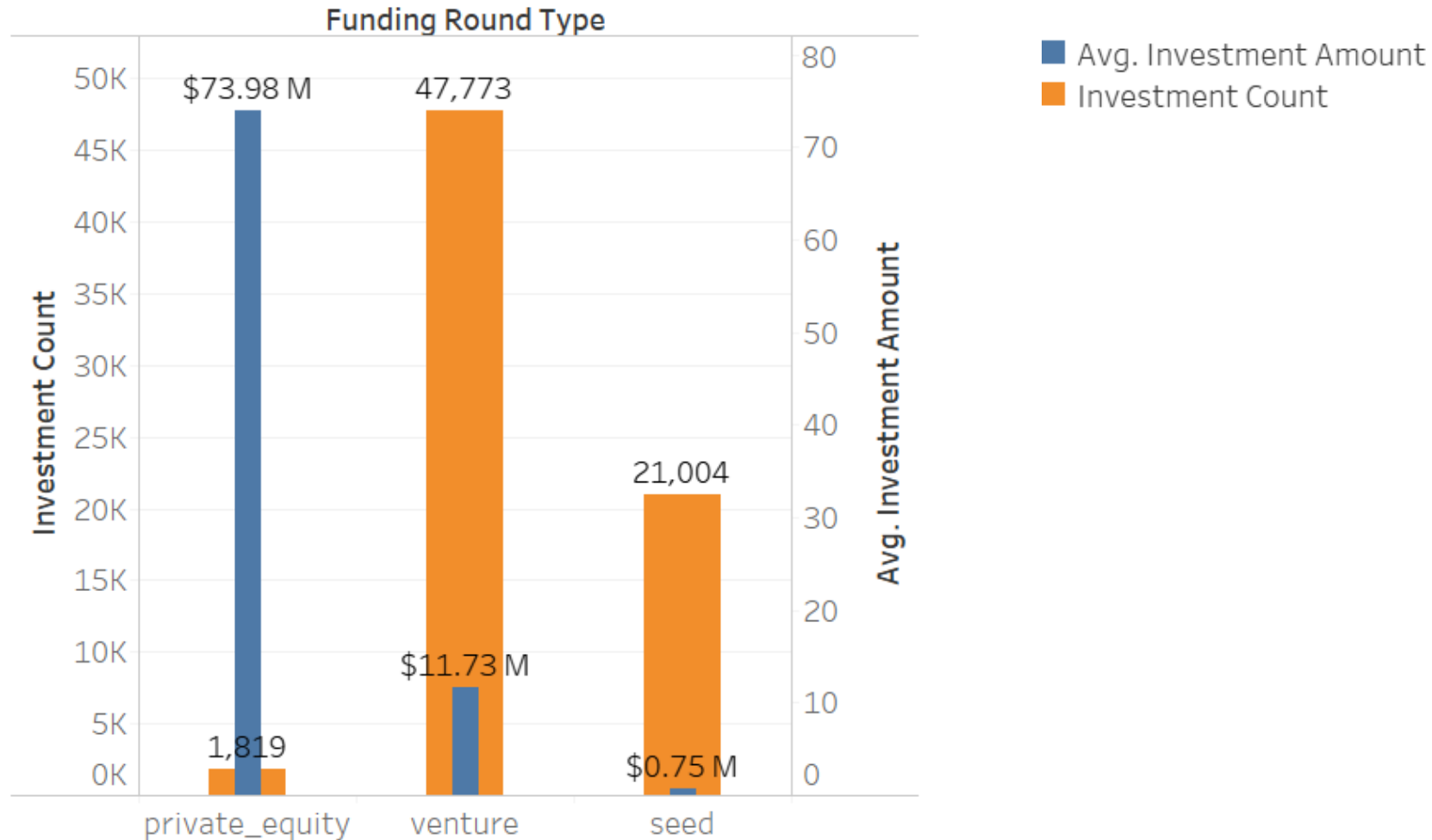
Identify the countries which have been the most heavily invested in the past. The below graph shows 9 most heavily invested countries based on the total investment amount in M USD and in venture fund type.



Understanding the distribution of investments across the eight main sectors for fund type venture .As per the below graph, the most heavily invested sectors based on number of investments as well as amount of investments are Others, ‘Cleantech /Semiconductors’, ‘Social, Finance, Analytics, Advertising’ and ‘News, Search and Messaging’



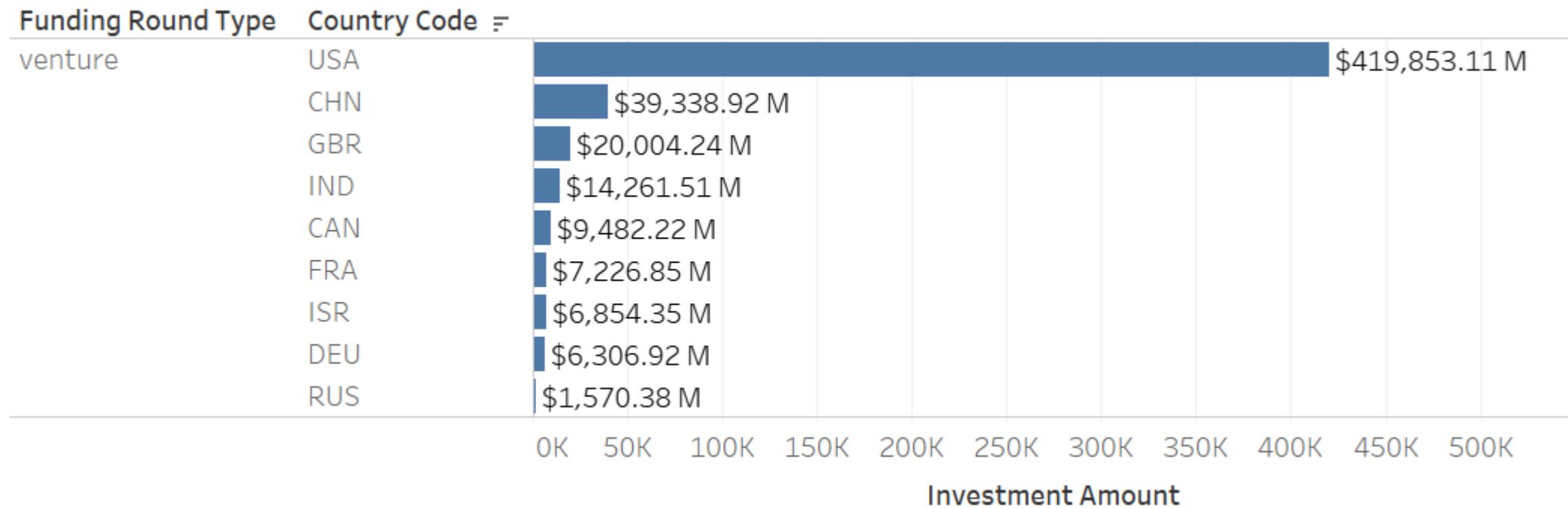
Below is a plot showing the fraction of total investments (globally) in venture, seed, and private equity, and the average amount of investment in each funding type. This shows that the best funding round type would be venture, the total investment amount for which falls between 5 to 15 M USD.



Top 3 countries for investment

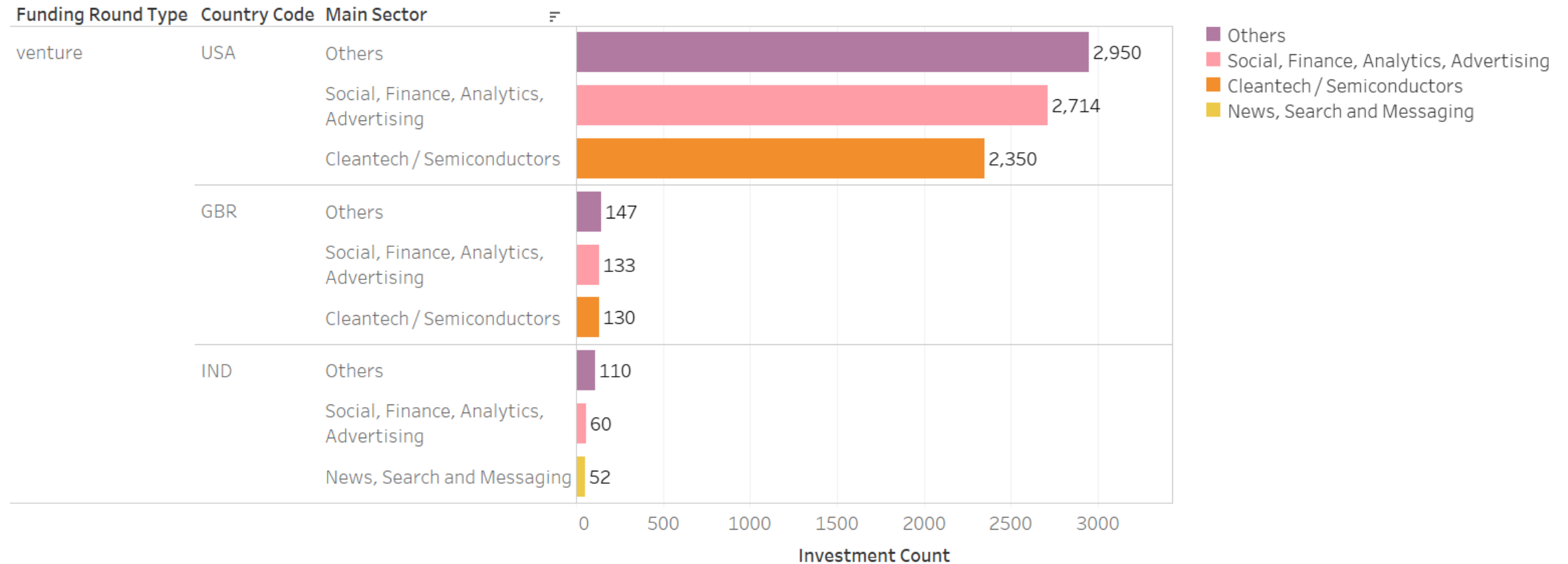
Below is a plot showing the top 9 countries against the total amount of investments of funding type venture. The top 3 english speaking countries with highest amount of investments are USA, GBR (Great Britain) and IND (India).

Note : Though the graph displays China as the second most heavily invested country, we would not be considering it as China is not an English speaking country



Investments in top 3 sectors in top 3 countries

Below is a plot showing the number of investments in the **top 3 sectors** of the **top 3 countries** for the investment type ‘venture’.



Based on the results in the previous 3 slides, it can be concluded that the best investment round type is venture, the best country to invest in is USA as it has the maximum count of investments and maximum amount of investments in all sectors.

However, instead of concentrating only in one market, Spark Funds can invest as follows :

- USA → 50 % in the following companies, which are top invested companies in their respective sectors.

Company Name	Sector
Virtustream	Others
SST Inc. (Formerly ShotSpotter)	Social, Finance, Analytics, Advertising

- GBR → 30% in the following companies, which are top invested companies in their respective sectors.

Company Name	Sector
Electric Cloud	Others
Celltick Technologies	Social, Finance, Analytics, Advertising

- IND → 20% in the following companies, which are top invested companies in their respective sectors.

Company Name	Sector
FirstCry.com	Others
Manthan Systems	Social, Finance, Analytics, Advertising