

INVESTMENT CASE STUDY

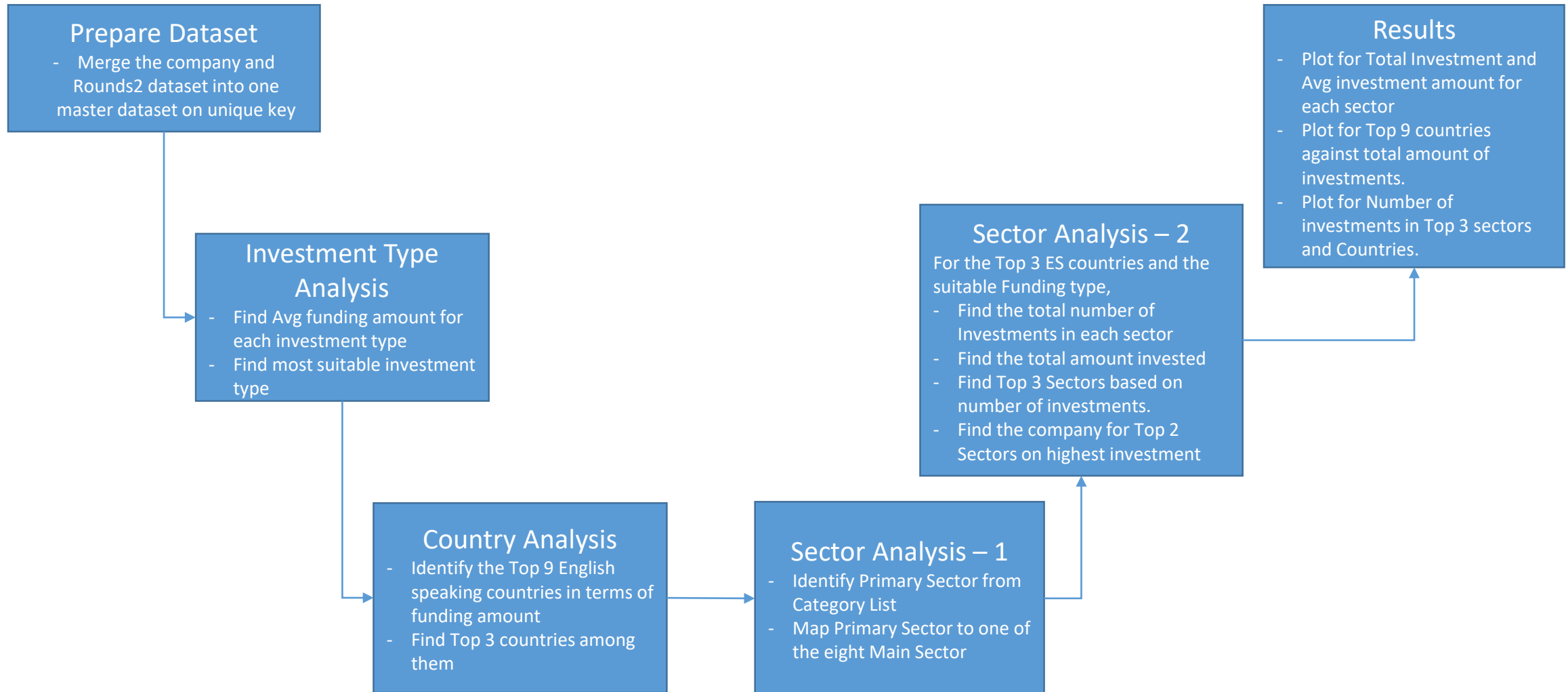
SUBMISSION

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Abstract

- Spark Funds wants to identify the global trends in investments in terms of best sectors, countries, and a suitable investment type to invest where others are investing.
- It has two minor constraints for investments:
 - It wants to invest between **5 to 15 million USD** per round of investment
 - It wants to invest only in **English-speaking countries** because of the ease of communication with the companies it would invest in

Problem Solving Methodology



Investment Type Analysis

- Average funding amount of each funding type per round:

Average funding Amount for each funding type per round				
Funding Rounds	Venture	Angel	Seed	Private Equity
A	6.99	1.73	3.53	32.95
B	14.67		1.62	
C	21.39		0.92	25
D	30.6			
E	46.13			
F	53.38			
G	76.97			
H	148.83			50

- Average funding amount of each funding type:

Average Values of Investments for each of the Funding Types				
	Venture	Angel	Seed	Private Equity
Average Funding Amount	11.75	0.96	0.72	73.31

- Considering that Spark Funds wants to invest between **5 to 15 million USD** per investment round, seems to be the case that **Venture** Investment Type will be the most suitable funding type for Spark Funds.

Country Analysis

- Top 9 English speaking countries with total investment amount:

Total Investment amount in Top 9 English Speaking Countries	
Country	Total Investment Amount(Million USD)
USA	422510.47
GBR	20245.59
IND	14391.91
CAN	9583.32
SGP	2793.94
IRL	1676.15
AUS	1322.93
NZL	448.32
NGA	245.44

- Top 3 countries with most funding amount among the above English speaking countries are,
 - USA
 - GBR
 - IND

Sector Analysis

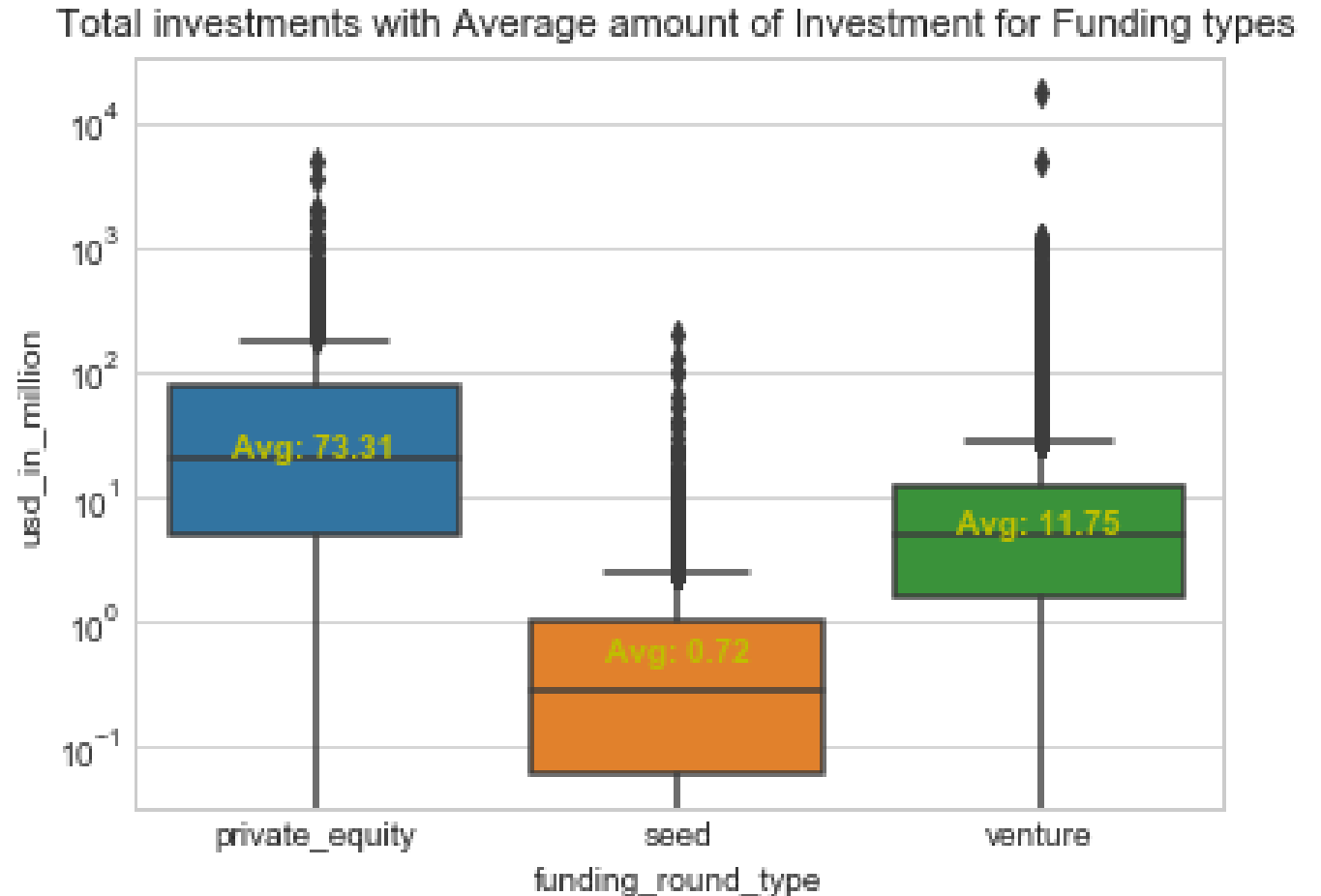
- For **Venture** Investment type, Sector wise investment analysis of the Top 3 English speaking countries:

Sector-wise Investment Analysis			
Description	USA	GBR	IND
Total number of Investments (count)	33526	1916	745
Total amount of investment (USD)	392237.29	18924.37	13538.03
Top Sector name (no. of investment-wise)	Others	Others	Others
Second Sector name (no. of investment-wise)	Cleantech / Semiconductors	Cleantech / Semiconductors	News, Search and Messaging
Third Sector name (no. of investment-wise)	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
Number of investments in top sector (3)	8243	507	281
Number of investments in second sector (4)	7849	433	130
Number of investments in third sector (5)	5156	318	77
For point 3 (top sector count-wise), which company received the highest investment?	SoFi	OneWeb	Flipkart
For point 4 (second best sector count-wise), which company received the highest investment?	Freescall Semiconductor	Immunocore	Quikr

- From the above Investment analysis report, **USA** clearly tops the list of total number of investments and total investment amount.
- In terms of Sector, **Others** has got more number of investments than Cleantech/Semiconductors and Social, Finance, Analytics, Advertising respectively.
- SoFi** company has received the highest investment in Others sector and **Freescall Semiconductor** company in Cleantech/Semiconductors sector.

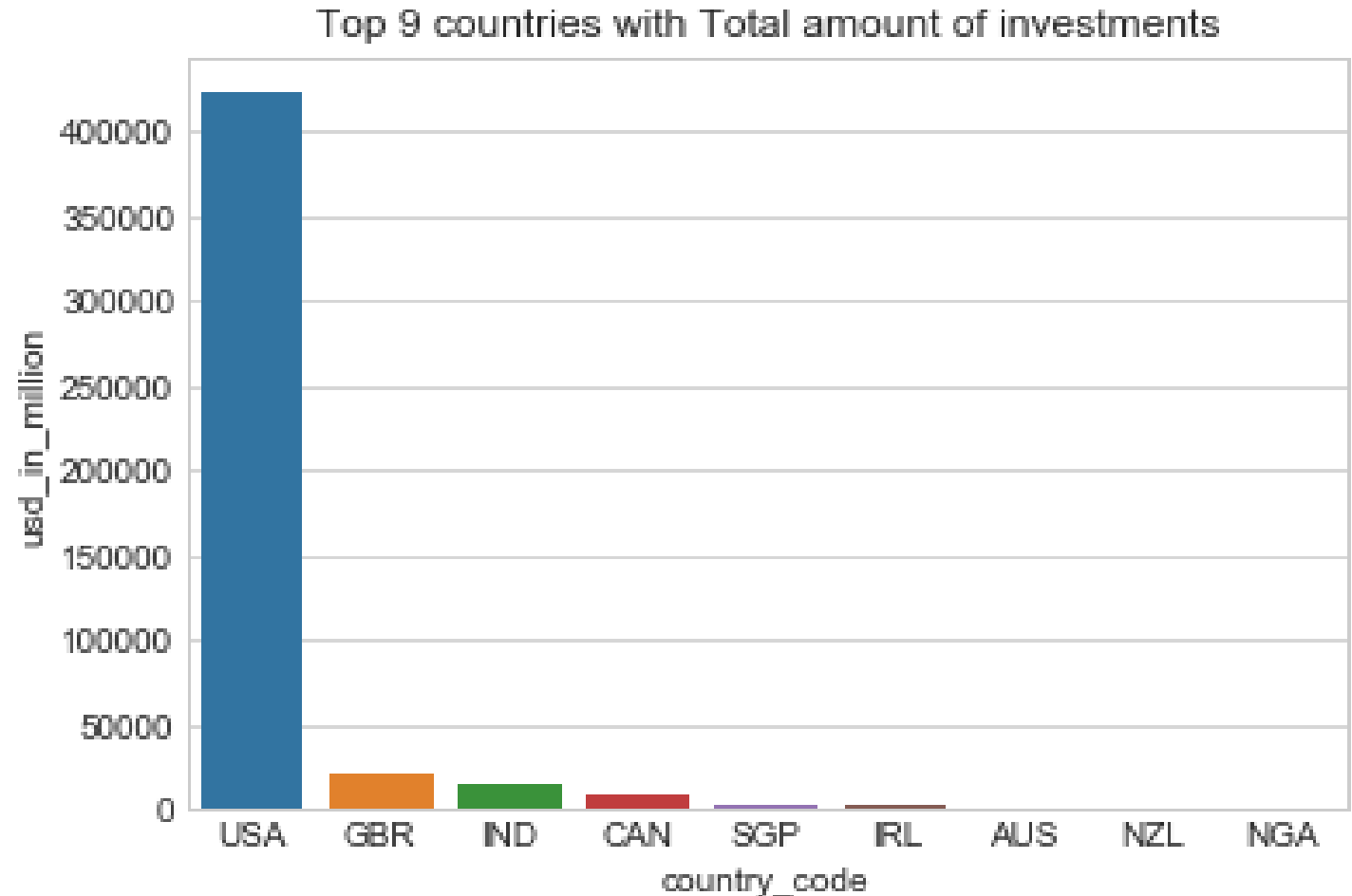
Investment Type Results

- From the detailed breakout of Total number of Investments and Average amount of investments by funding type,
 - Private Equity's average investment amount is too high.
 - On the other hand, Seed's investment amount is below average.
 - Venture funding type has got the average investment amount between **5 to 15 million USD**.
- Hence it is reasonably certain that the **Venture** funding type will be the most suitable funding type.



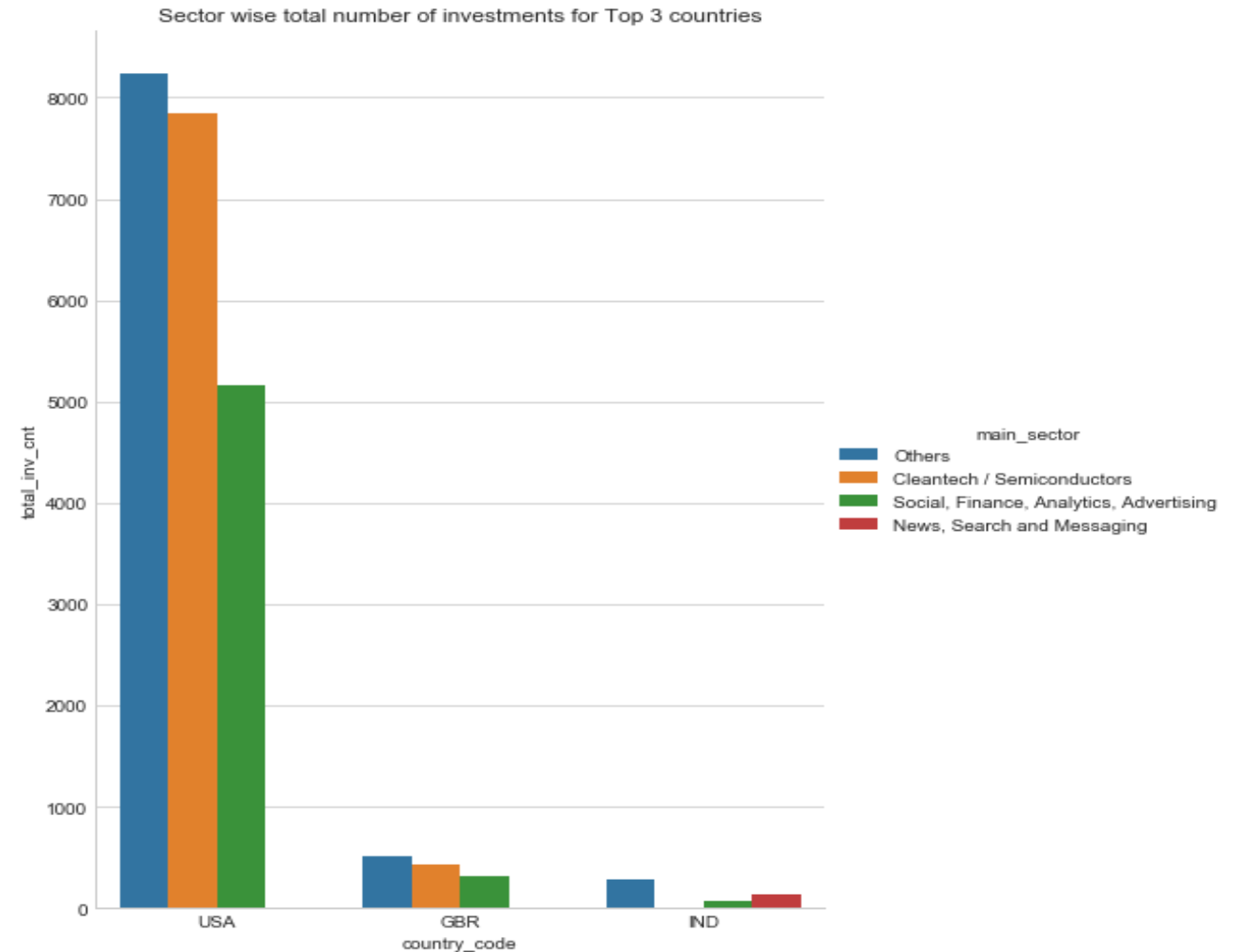
Country Results

- From the given plot, among the Top 9 English speaking countries:
 - USA** tops the list with 89% of total amount of investments with value of 422510.47 million USD.
 - GBR** on the second with 4% of total amount of investments with value of 20245.59 million USD.
 - IND** on the third with 3% of total amount of investments with value of 14391.91 million USD.
- Hence it is evident that **USA** will be the most suitable country for investment.



Sector Results

- From the plot of total number of Investments for the Top 3 English speaking countries by sectors
 - Others** sector tops the list with overall of 39% of total number of investments.
 - Cleantech / Semiconductors** sector on second with 36%
 - While **Social, Finance, Analytics, Advertising** sector on third with 24%.
- Hence it is clear that **Others** sector will be the recommended sector for investment.



Conclusion

We recommend Spark Funds to invest in **Others sector of Venture Capital in USA**, primarily because on the global trends in investments they are deemed to have high growth potential, or which have demonstrated high growth in terms of number of investments, top sectors among the English speaking countries.