

INVESTMENT ASSIGNMENT SUBMISSION

Name: Ravi Sankar Dasari

Investment Analysis For Spark Funds

Business Objective:

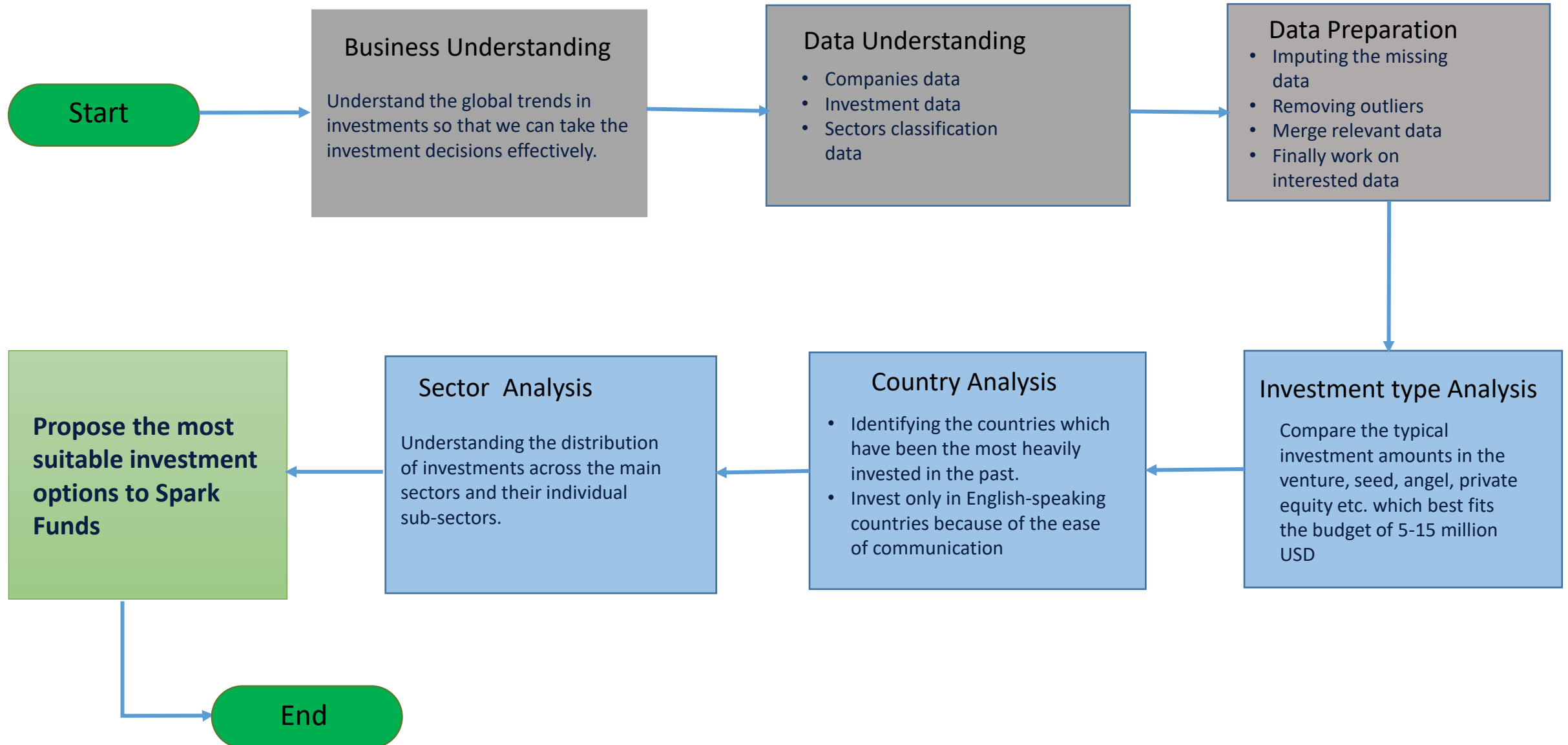
The objective is to identify the best sectors, countries, and a suitable investment type for making investments.

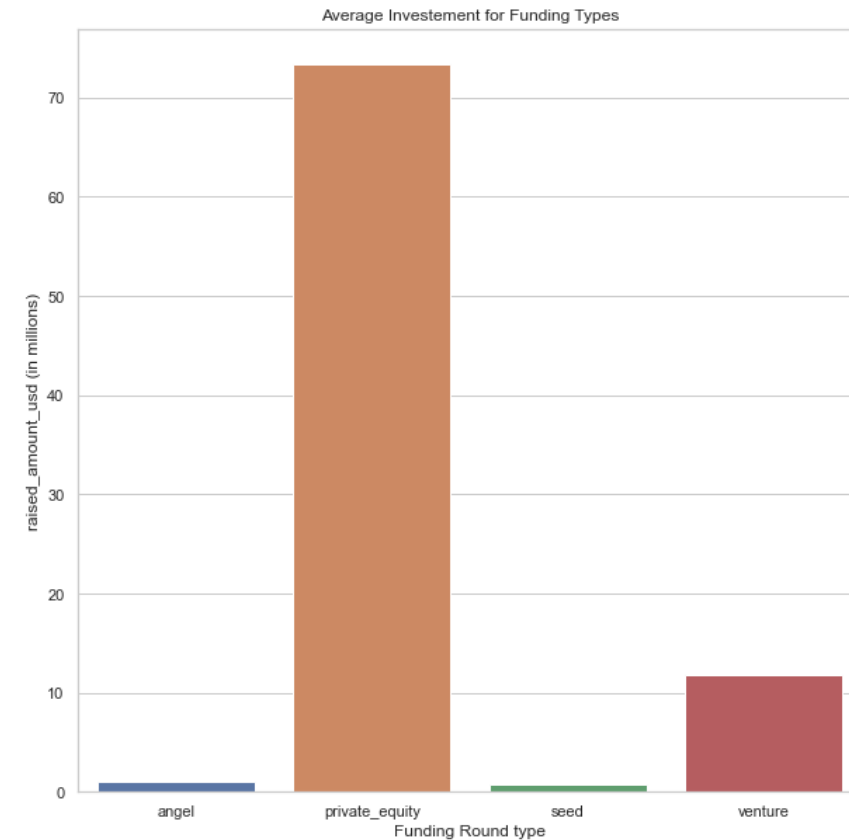
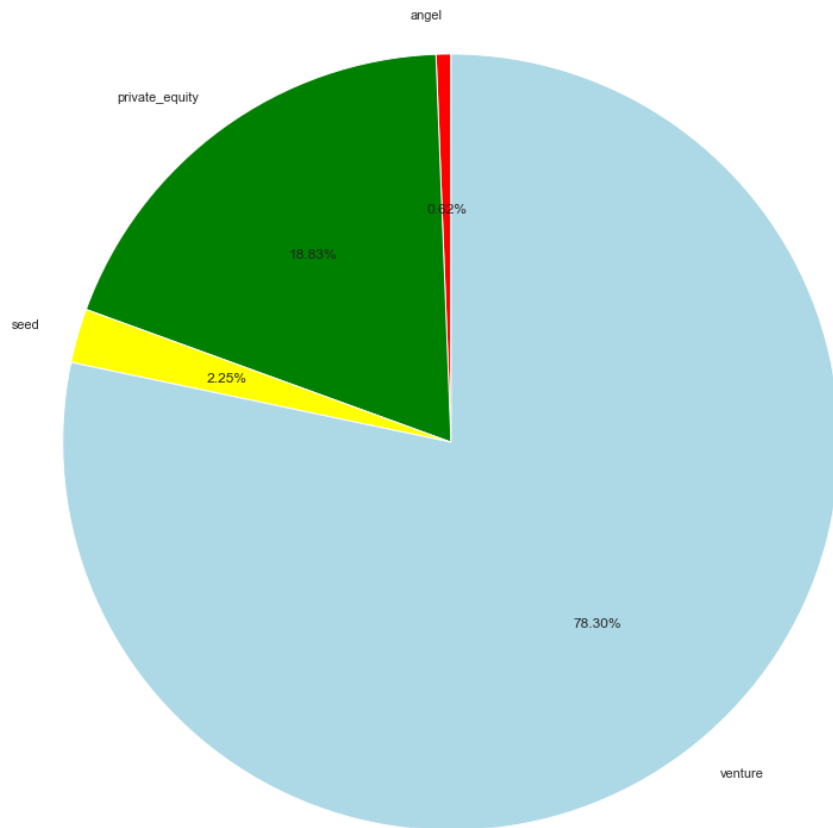
Strategies:

- Invest where most **other investors are investing**.
- Invest between **5-15 million USD** per round of investment.
- Invest only in **English-speaking countries** considering the ease of communication with the companies.

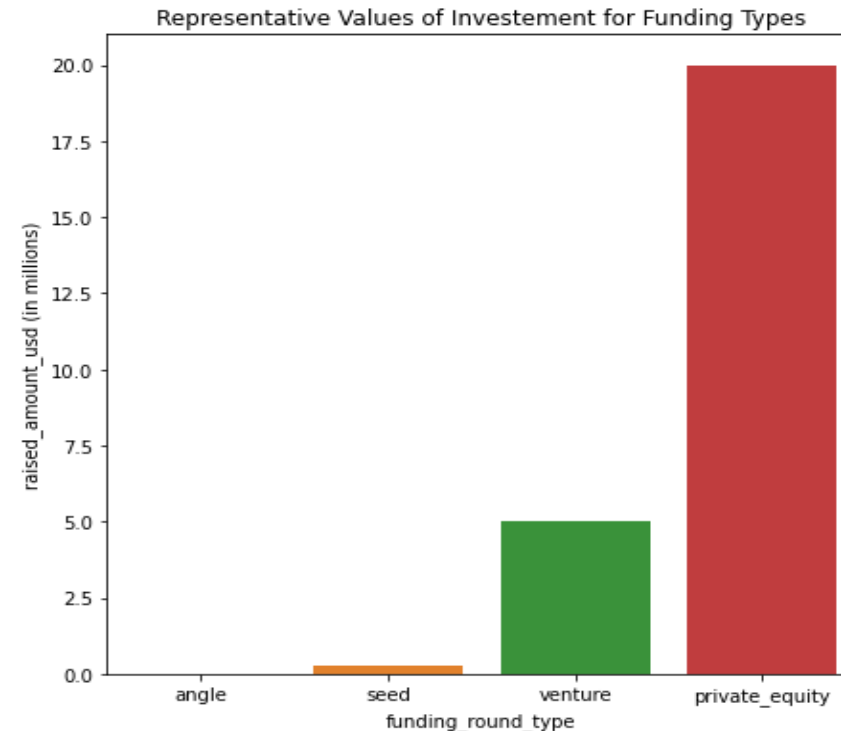
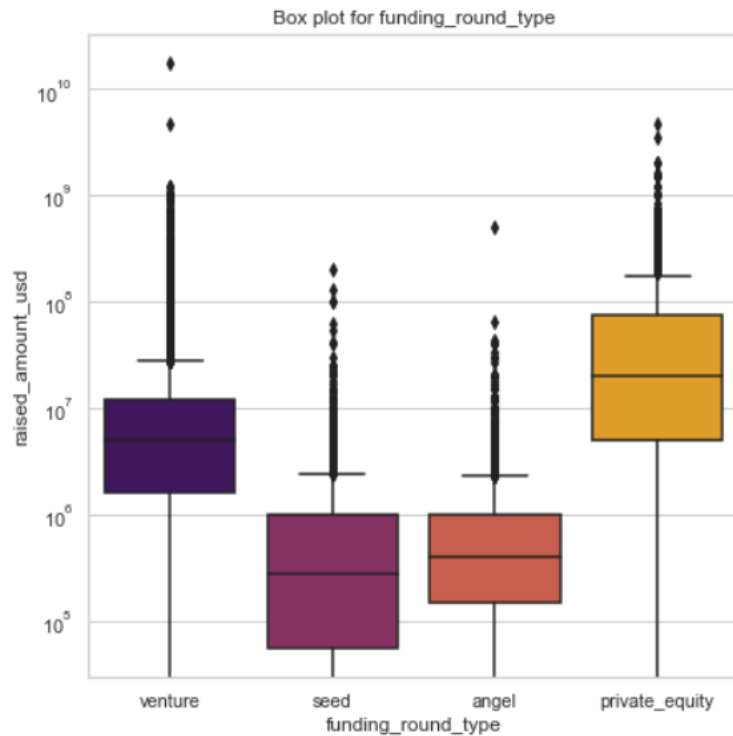
Goals:

- To identify the most suitable investment type for the budget range between 5-15 Million USD.
- To identify the countries which have been the most heavily invested in the past for the chosen investment type.
- To understand the distribution of investments across the main sectors and their respective sub-sectors and companies.





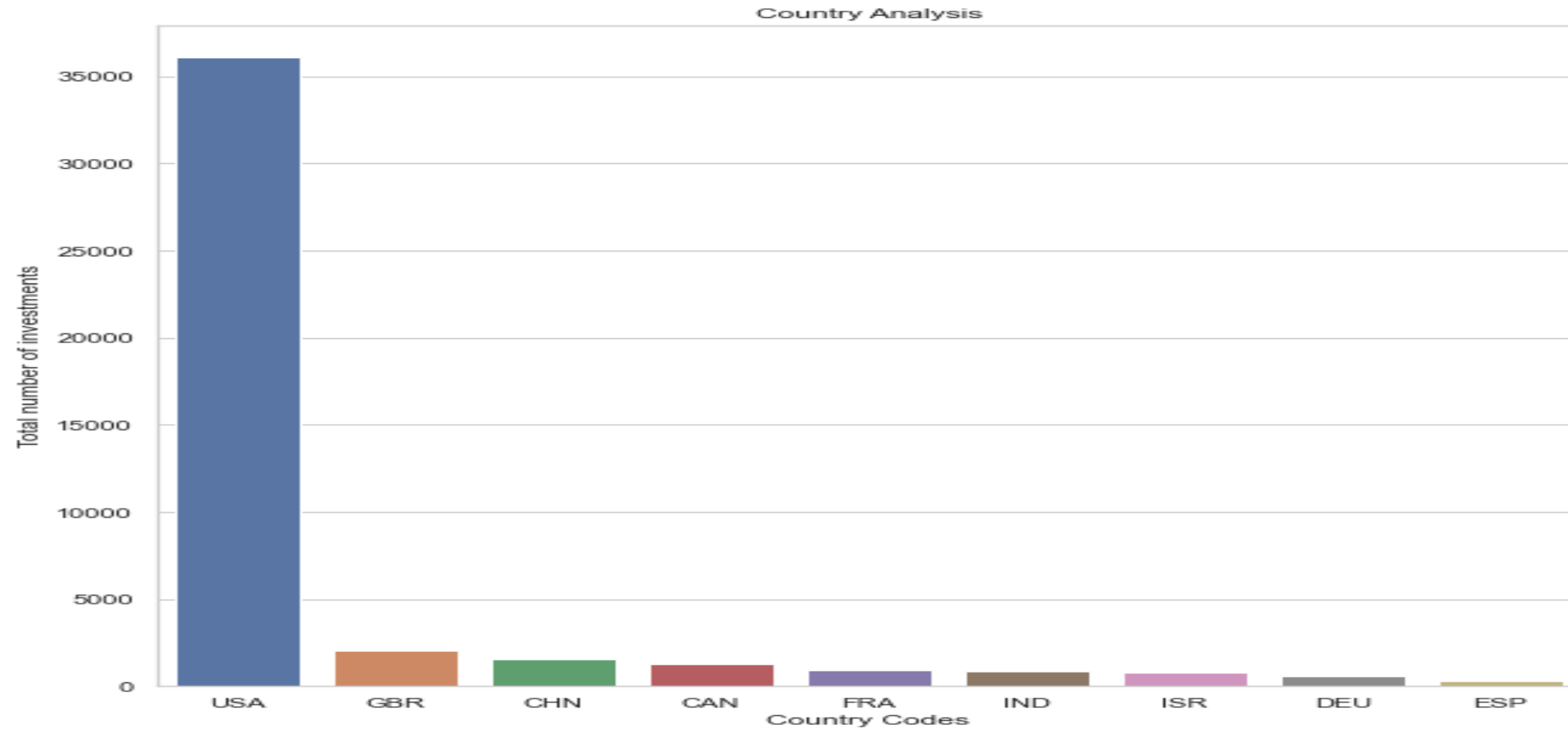
- The above pie chart depicts that the majority of the investments(78.3%) are put into Venture funding type(among the selected 4 types).
- The average investment of Venture funding round type is around 11million USD, which falls in the Spark Funds range of 5-15million USD.



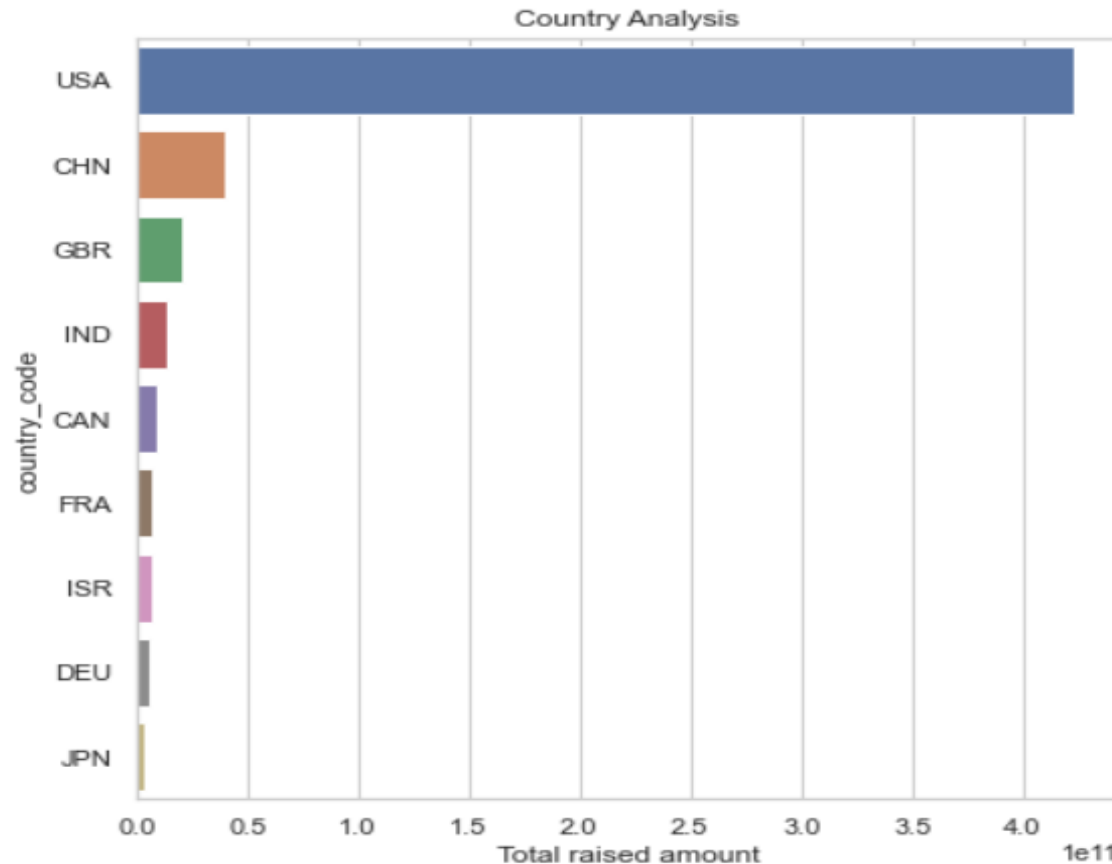
Funding Round Type	Representative funding amount
Private Equity	20000000
Venture	5000000
Angel	400000
Seed	275000

- As we can see from the first plot that there are a lot of outliers in the data for the venture/seed/angel/private_equity funding round types. Hence '**median**' will be most suitable metric which represents the data.
- From the second plot, we can clearly see the '**Venture**' funding type best suits our investment requirement of **5-15 million USD**

Country Analysis

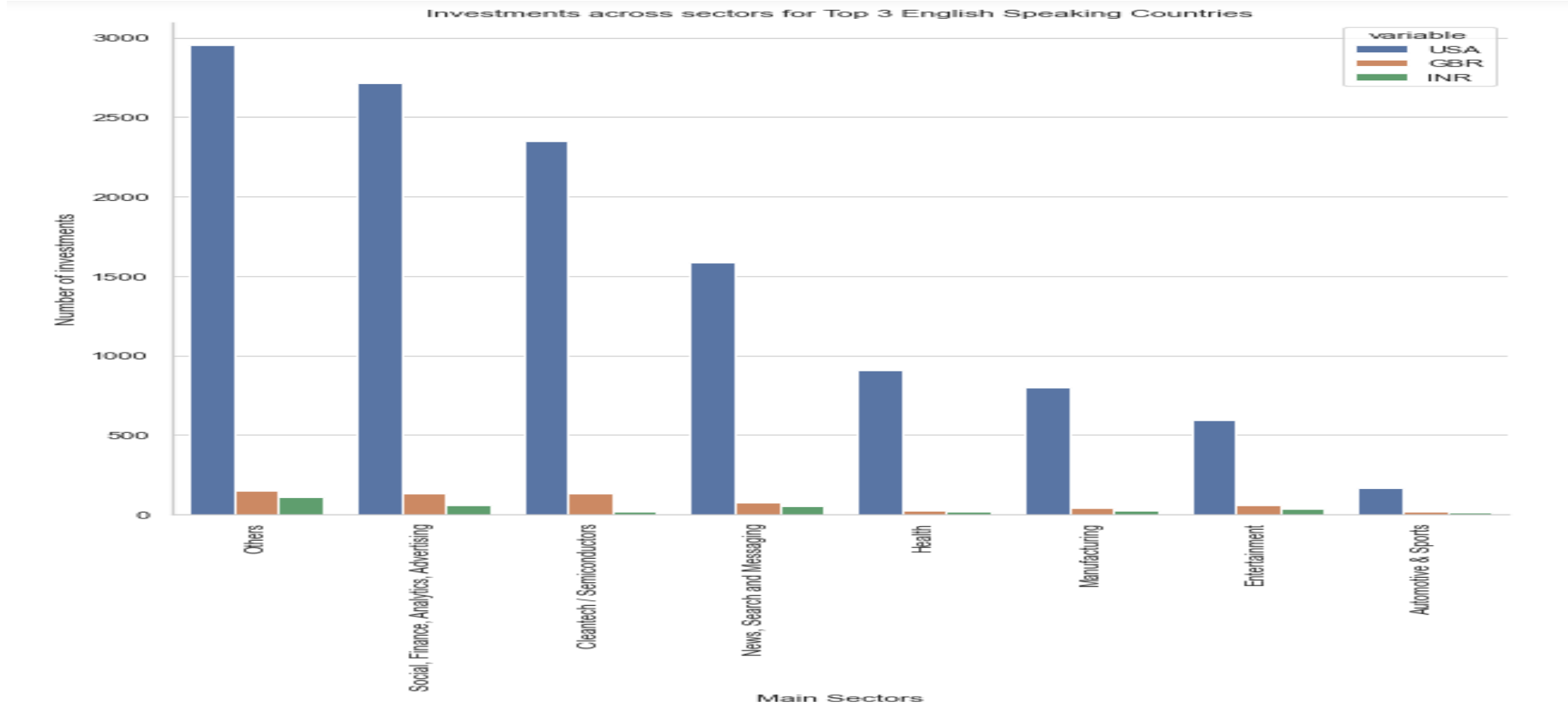


- Based on the number of investments made in the 'Venture' funding type, above are the top 9 countries which Spark Funds should be interested in to invest.

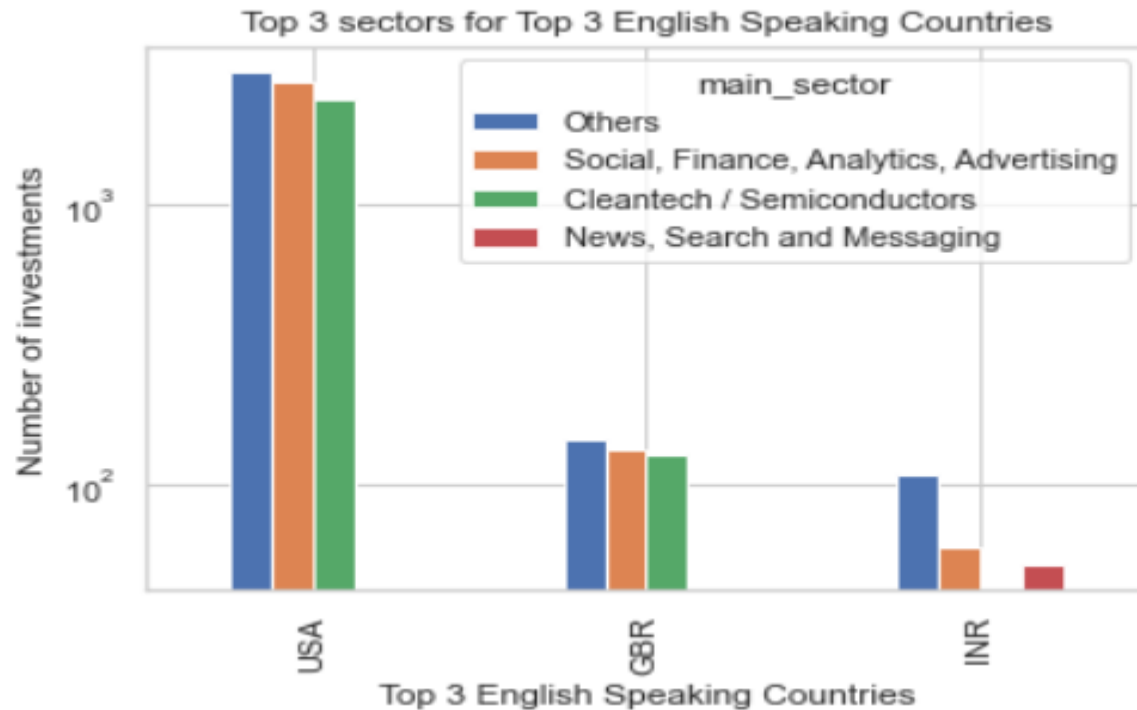


Country Code	Total raised amount (in USD)
USA	422,510,842,796.00
CHN	39,835,418,773.00
GBR	20,245,627,416.00
IND	14,391,858,718.00
CAN	9,583,332,317.00
FRA	7,259,536,732.00
ISR	6,907,514,579.00
DEU	6,346,959,822.00
JPN	3,363,676,611.00

- Since Spark Funds wants to invest in companies where others are heavily investing, above are the list of top9 countries based on total raised amount in *venture* funding type.
- The top 3 English speaking countries where Spark Funds can invest in are **USA**, **GBR** and **IND**

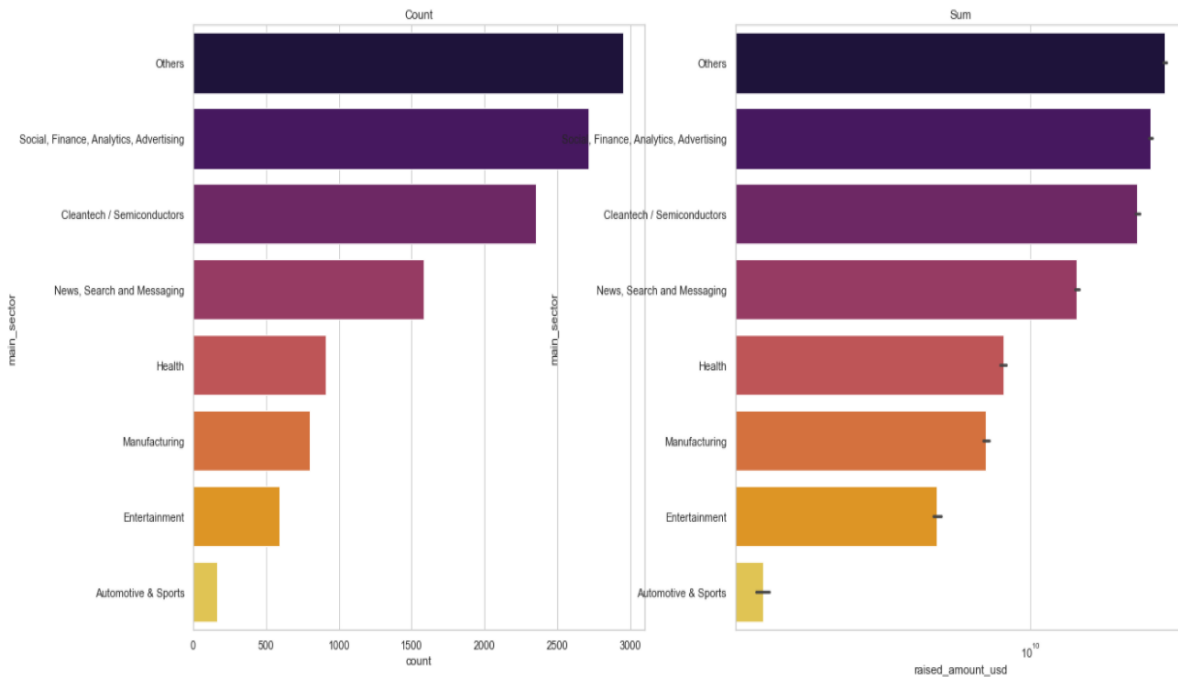


- Across the main 8 sectors, the investments made by the top 3 countries are as depicted above.
- We can clearly identify that **Others**, **Social/Finance/Analytics/Advertising** and **Cleantech/Semiconductors** are the 3 primary sectors where majority of Venture type funding went into.

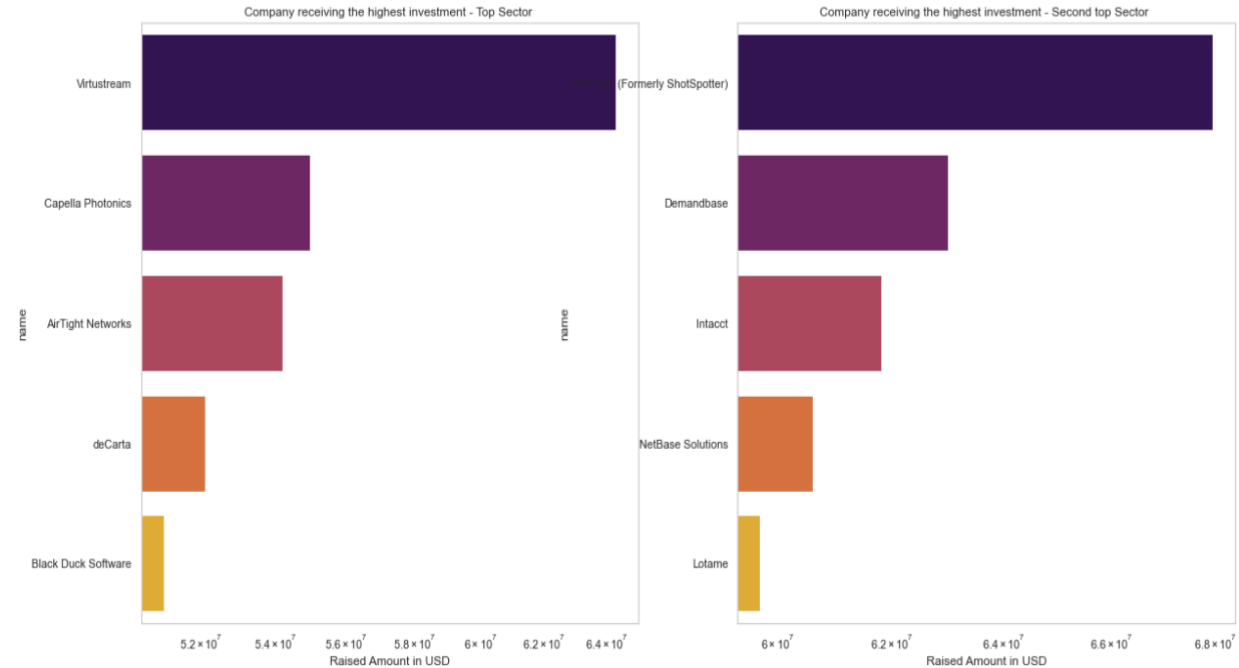


Top 3 countries	Top 3 sectors	Main Sector	Number of Investments
USA	# 1	Others	2950
	# 2	Social, Finance, Analytics, Advertising	2714
	# 3	Cleantech / Semiconductors	2350
GBR	# 1	Others	147
	# 2	Social, Finance, Analytics, Advertising	133
	# 3	Cleantech / Semiconductors	130
IND	# 1	Others	110
	# 2	Social, Finance, Analytics, Advertising	60
	# 3	News, Search and Messaging	52

- For the **Top 3 English speaking countries** in the prior analysis, above are the **Top 3 main sectors** based on the number of investments made.
- Others, Social/Finance/Analytics/Advertising, Cleantech/Semiconductors and News/Search/Messaging are the top main sectors to invest in these top 3 countries for Venture funding type.

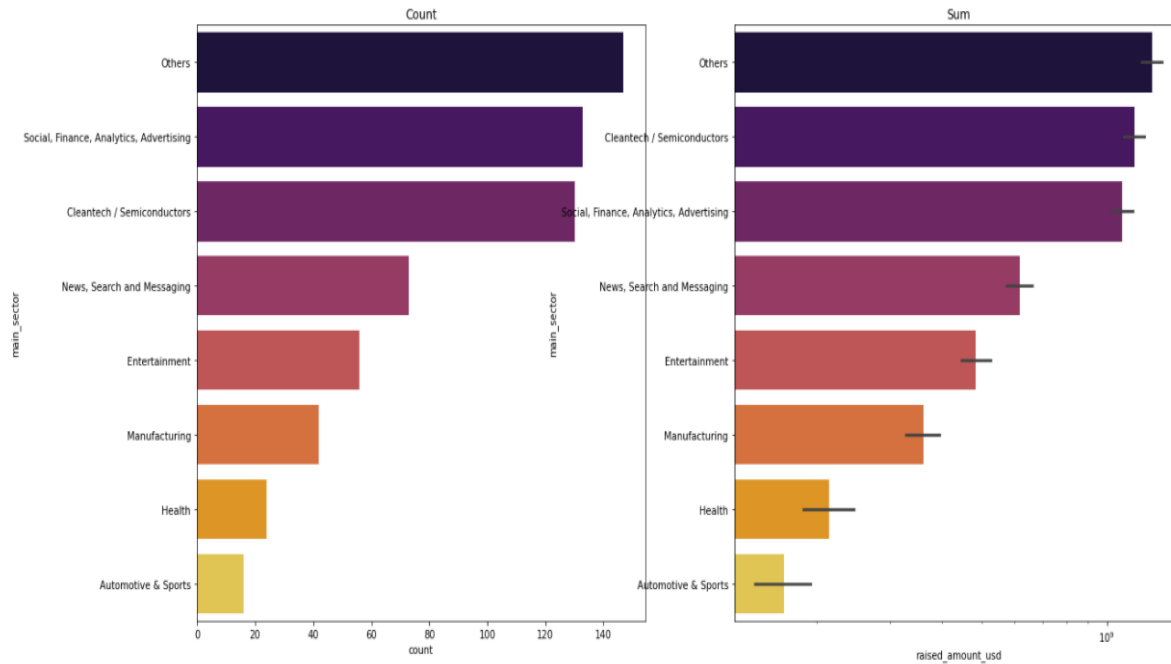


- Based on the number of investments made Others, Social/Finance/Analytics/Advertising and Cleantech / Semiconductors are the top 3 main sectors in USA.
- Based on the total amount of investments made(sum) Others, Social/Finance/Analytics/Advertising and Cleantech / Semiconductors are the top 3 main sectors in USA.

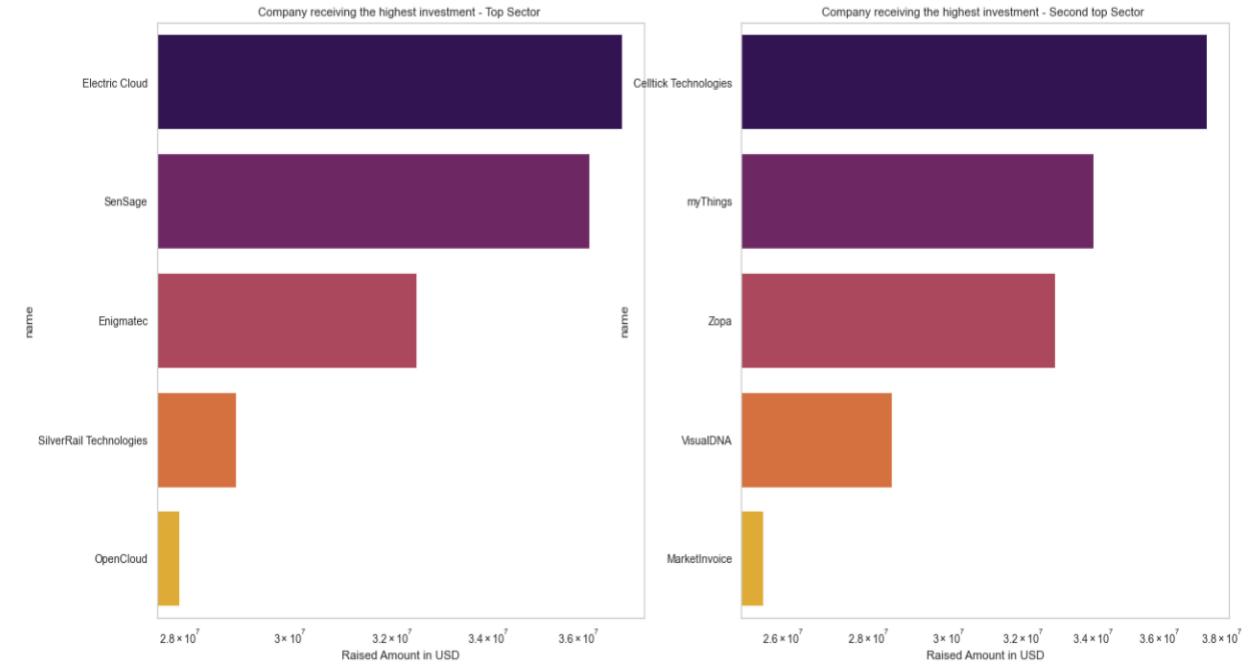


- For the top sector (Others): Virtustream, Capella Photonics and AirTight Networks are the highly invested companies in USA.
- For the second top sector (Social/Finance/Analytics/Advertising): SST Inc., Demandbase and Intacct are the highly invested companies in USA.

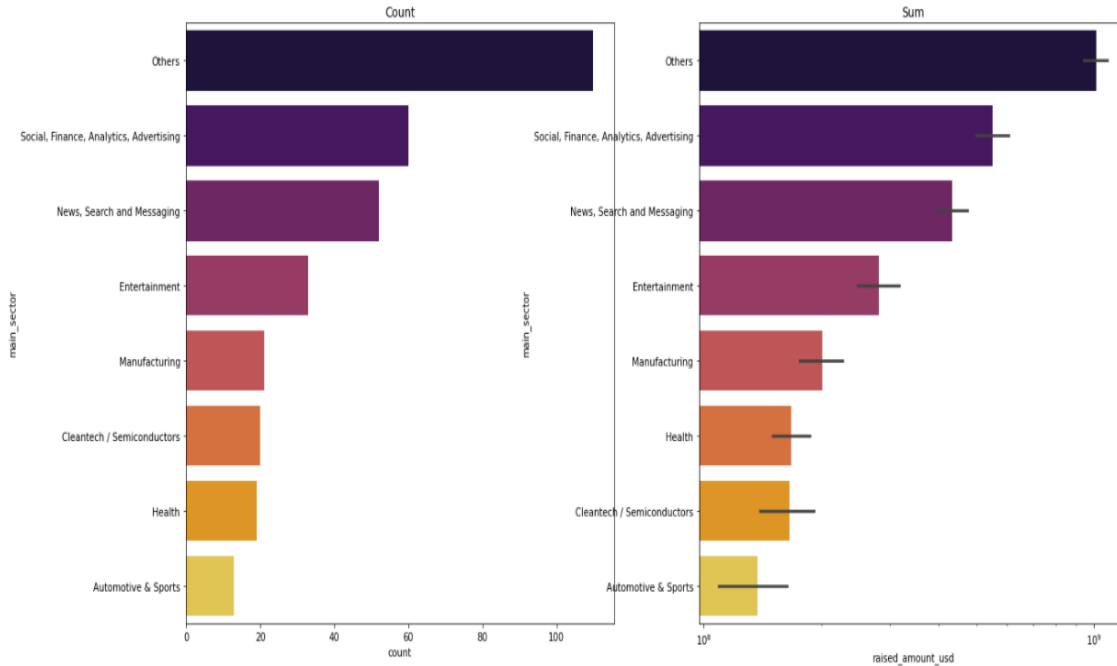
Sector Analysis & Top Invested Companies in GBR



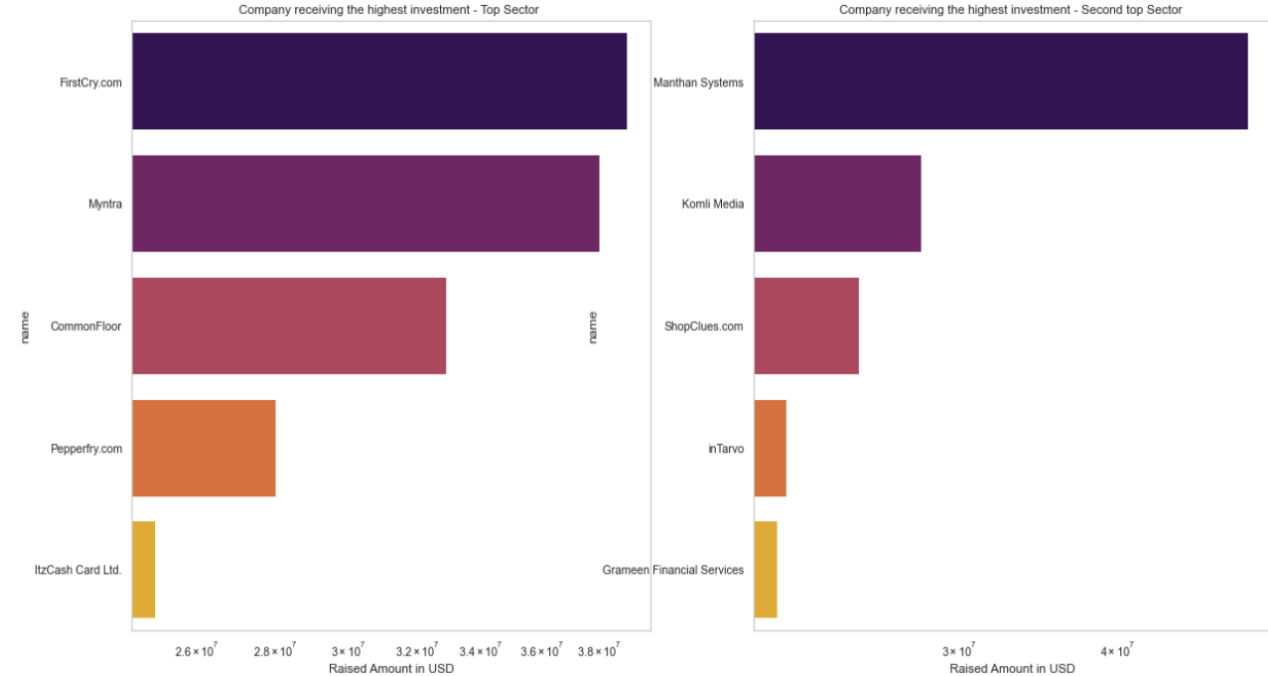
- Based on the number of investments made Others, Social/Finance/Analytics/Advertising and Cleantech / Semiconductors are the top 3 main sectors in GBR.
- Based on the total amount of investments made(sum) Others, Cleantech / Semiconductors and Social/Finance/Analytics/Advertising are the top 3 main sectors in GBR.



- For the top sector (Others): Electric Cloud, SenSage and Enigmatec are the highly invested companies in GBR.
- For the second top sector (Social/Finance/Analytics/Advertising): Celltick Technologies, myThings and Zopa are the highly invested companies in GBR.



- Based on the number of investments made Others, Social/Finance/Analytics/Advertising and News/Search/Messaging are the top 3 main sectors in IND.
- Based on the total amount of investments made(sum) Others, Social/Finance/Analytics/Advertising and News/Search/Messaging are the top 3 main sectors in IND.



- For the top sector (Others): FirstCry.com, Myntra and CommonFloor are the highly invested companies in IND.
- For the second top sector (Social/Finance/Analytics/Advertising): Manthan Systems, Komli Media and ShopClues.com are the highly invested companies in IND.

Considering the strategy and objectives of Spark Funds, below can be their investment strategy:

- **Venture** funding type is most suitable investment type for Spark funds, taking into account the 5-15million USD budget per round of investment.
- Investing in **USA** is more ideal based on the total raised amount in *venture* funding type. **GBR** and **IND** are the other top English speaking nations which Spark Funds can consider investing in.
- Others, Social/Finance/Analytics/Advertising, Cleantech/Semiconductors and News/Search/Messaging are the top sectors where majority of the investments went into. So, Spark Funds can think of investing in **Others** and **Social/Finance/Analytics/Advertising** sectors.
- The companies with highest investments in these 2 sectors across all the top countries are suggested in the prior slides. **Virtustream** came out to be the best company to invest in.