WATERFIELD

India PE/VC Funds Report

An LP's Playbook

2019

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Insight with Integrity

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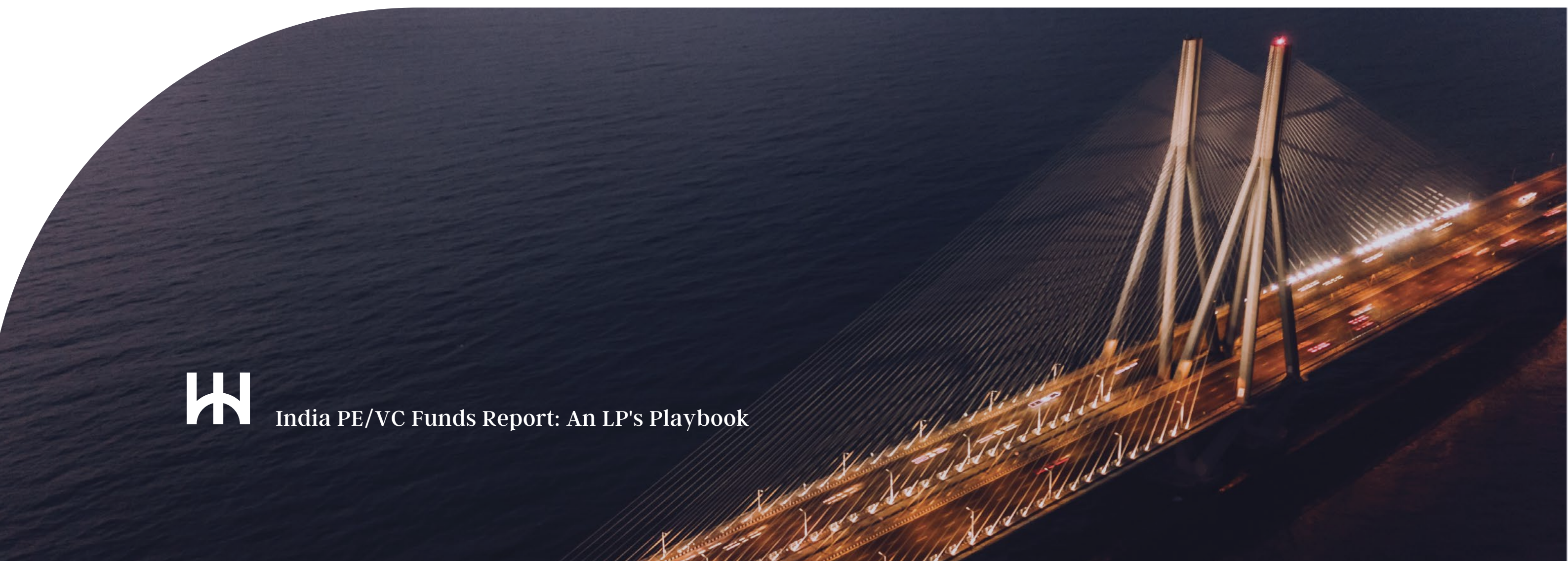


Executive Summary

The Indian PE/VC space has reached new highs, registering consistent QoQ growth. While 2018 was the busiest period in the history of the Indian PE/VC space, 2019 has also proven to be a highly active year. The first nine months of 2019 have clocked a 7.4% higher growth over 2018 in terms of investment value, with Q3CY19 having witnessed investments of $16.4 billion across 289 deals - the highest in terms of value in any quarter till date[1].

A new breed of fund managers from marquee global funds has emerged with their own funds targeting emerging white spaces. Experienced managers, having sharpened their strategies, are doubling down on the India opportunity. As they court domestic capital with a strategic lens on the future, it is a great time for domestic Family Offices to participate in this burgeoning asset class.

Waterfield has leveraged its proprietary database of 40 domestic PE/VC funds across multiple vintages to analyse the current trends. Here are the key insights:

Insight 1: IRR and its Evolution

- An IRR rise and taper trend is observed in the lifecycle of funds where IRR tends to follow an upward trajectory during the initial years, followed by a rationalisation as the portfolio increases
- A fund manager's decision to undertake fundraising for a subsequent fund appears to coincide with the IRR climb of the manager's currently active fund

Insight 2: Concentration Risk

- There exists a significant concentration risk in a handful of companies on the basis of which a fund has to return a relevant multiple of the capital raised to its LPs
- Contrary to conventional wisdom, some of the largest funds from the dataset have the highest dependence, in terms of expected returns, on a single investment

Insight 3: Timely Exits

- The prevalence of '10x' exits is a rarity, but this situation is likely to improve
- A majority of exits are achieved in the 3-4 year hold window and exits beyond the 4-year window don't appear to offer any significantly higher multiple

The confidence in the Indian economy is supported by tangible factors such as the advancing digital infrastructure, progressive regulations, and improving consumer demographics. India is expected to maintain its status as one of the fastest growing economies in the world, with growth projected to be driven by greater domestic consumption and the move from unorganised to organised markets. Despite being a late entrant in the PE/VC space, India has made impressive progress and will continue to be a preferred destination for global PE/VC investment.◆

Foreword

Dear Reader,

India has the third largest start-up ecosystem in the world, in terms of value and numbers, just behind China and the US. As the country embarks on its journey to be a $5 trillion economy by 2024, entrepreneurship will play a big part in innovation and wealth creation.

Currently, India has 21 unicorns (privately held companies valued over US$1bn) against 203 in the United States and 206 in China[2]. However, most of the funding to Indian start-ups has come from foreign capital, suggesting that the Indian investor with domestic capital hasn't really participated in this story.

At Waterfield Advisors, we see this trend changing, with domestic capital playing a significant role in supporting the start-up eco-system.

Over the past 15 years, the Venture Capital and Private Equity industry has matured and this has also coincided with the emergence of Family Offices in India. Today Single Family Offices and High Net-worth Families are keen to participate as investors in PE/VC Funds and provide "patient capital" and mentoring to companies through direct deals.

As the proliferation of fund managers and opportunities exponentially increase, how should an investor or Limited Partner (LP) evaluate a good manager? What are the relative benchmarks?

As India's largest independent Multi-Family Office and a large allocator of capital, these were the questions that confronted us. Therefore, we had to start peeling the onion - evaluating portfolio performance of funds, understanding the fund manager's abilities to identify winners and deliver exits, identify key-man risks and succession plans, and asking all the difficult questions before committing to these long-term, illiquid investments.

In the course of our journey, we realised that these are the same questions that other Investors and LPs must also be asking. So we decided to share some of the knowledge that we have gleaned, with everyone who is contemplating investments in the Indian Venture Capital and Private Equity space.

Our objective in undertaking this study was, therefore, to act as a reference point for investors and LPs, so as to help them make more informed decisions when participating in a fund. This study, we believe, should help:

- An Investor better understand the journey of home-grown, domestic Venture Capital funds through different cycles as the PE/VC space matures in India

- LPs gain a detailed insight on IRR (Internal Rate of Return) trends. Although IRR is a strong indicator to substantiate fund performance, every fund experiences a rise and taper trend in their IRR lifecycle. This is an important criteria in proactive decision making for investors as it helps them evaluate multiple fund managers who are raising subsequent funds

- Evaluate investment and exit strategies of funds. IRRs without an exit is a notional gain as secondary exits are always uncertain and at a discount in this space

- Validate track records of fund managers, recognising that access to category leaders and timely exits is key to achieving a superior return in this space

Waterfield is also tracking other metrics such as DPI (Distributions to Paid-In-Capital), RVPI (Residual Value to Paid-In-Capital) and TVPI (Total Value to Paid-In-Capital), which are derived and substantiated through exits and distributions that the funds achieve. However, we have chosen not to cover these metrics in the current report as exits have been few and the India PE/VC space is in the early stages of seeing funds being raised with domestic capital. We hope that going forward, as exits become more prevalent, we are in a position to publish insightful analytics in this as well.

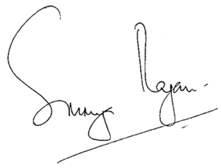
The report is by no means exhaustive but I hope it will provide a greater level of transparency that pushes the boundaries of the VC/PE eco-system to benefit more individuals and institutions that are considering allocations to this asset class within Alternative Investments.

I also hope our analysis and insights provide both relevant and useful benchmarks.

At Waterfield, we endeavour to build on this report annually and would welcome feedback and suggestions from our readers on how this report can be enhanced.

I look forward to your continued support as we build the Venture Capital and Private Equity Fund landscape together.

With warm regards



Soumya Rajan
Founder, Managing Director & CEO
Waterfield Advisors

Macro Insights: The Indian PE/VC Space

- Evolution of the PE/VC Space in India
- PE/VC Investments Across Sectors
- Connection Between the Economy and PE/VC Investments
- Exits in the Indian PE/VC Space

In 2018, the global private equity (PE) and venture capital (VC) space reached new highs as global investments in Alternative Investments crossed $1.4 trillion. This was the first time in 12 years that global PE/VC investments surpassed pre-2007 levels[3].

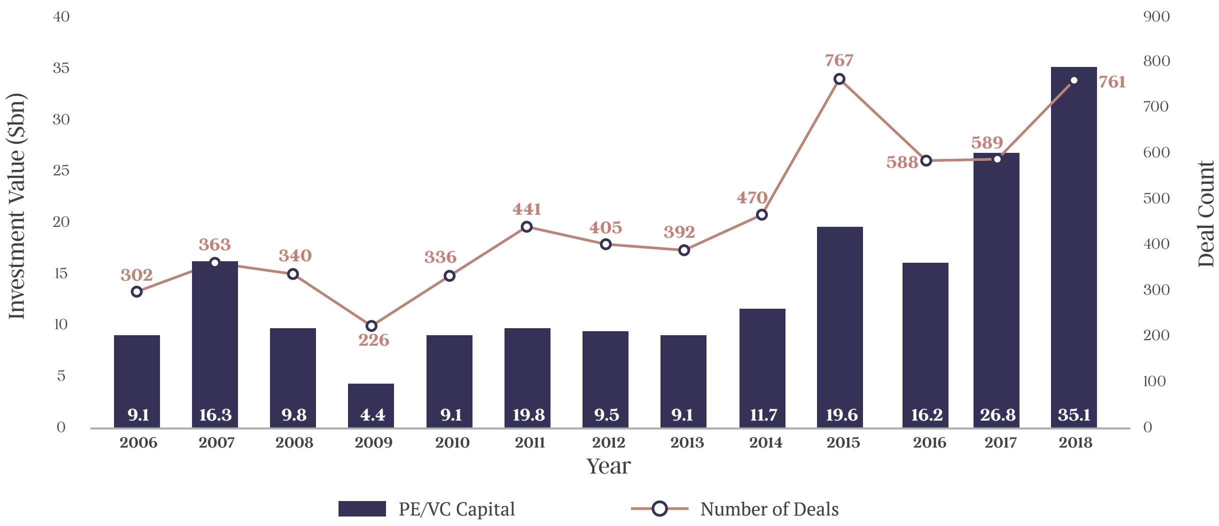
Over the past 12 months, the global PE market has grown 18% in value, while VC investments have skyrocketed with over 60 super-giant deals valued at over $100 million[4]. As a result, by June 30, 2019, over 6,500 VC deals with $105 billion in investments have been made with many more deal opportunities originating across the globe[5].

Moreover, the industry is witnessing both greater volumes and larger deal sizes. India has a nascent but burgeoning Alternatives Investments industry, which is witnessing a sea change due to government initiative and regulations, a rise in home grown funds, and startups that are transforming the unorganised markets to organised. However, the private investing space in India is currently fuelled primarily by international capital, and there exists an opportunity for Family Offices and UNHIs/HNIs to participate in this market.

Evolution of the PE/VC Space in India

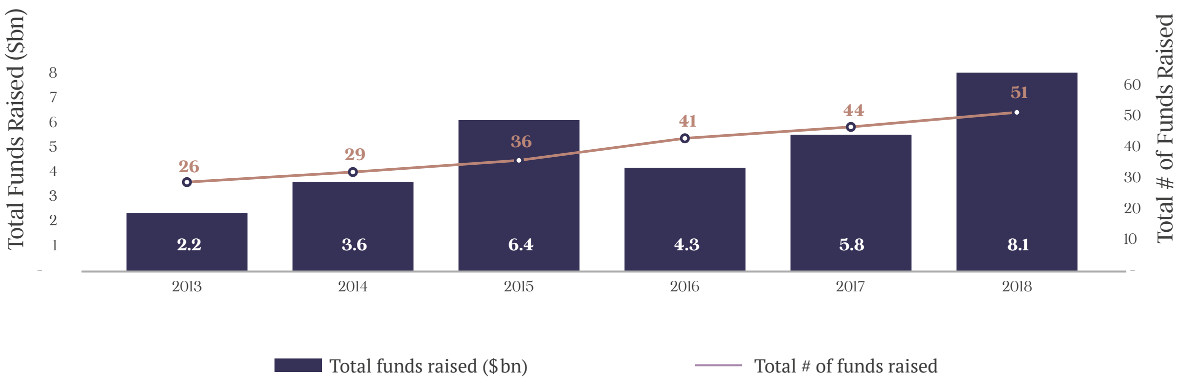
India has always been a leading destination for global investments with increasing global participation year on year. Even prior to the liberalisation era, in the absence of a PE market, India was an alluring investment destination for global companies. However, India's first brush with private equity as an asset class came in the late 1990s as various international funds began investing in IT and internet related companies. In particular, the period between 1995-2000 witnessed several firms such as ChrysCapital and WestBridge, led by Indian managers, deploying foreign capital in the Indian tech space[6].

EXHIBIT 1: PE/VC Capital and Number of Deals



Source: VCCEdge Data; EY analysis

EXHIBIT 2: PE/VC Annual Fundraising Trend



Source: VCCEdge Data; EY Analysis

Private Equity: Overall, from 2001 to 2018, the Indian PE space has matured and diversified. PE firms have invested approximately $132 billion in India (excluding venture capital and real estate assets)[7]. The last ten years have witnessed rising market activity as India has followed the global trend. Private Equity is now a natural fixture in the Indian economic landscape.

Venture Capital: India's Venture Capital (VC) ecosystem, while relatively new, is already the third largest in the world, trailing behind USA and China[8]. This growth has been accompanied by successful exits via M&A and

EXHIBIT 3: Number of PE deals by period and size (excluding venture capital)

Year / Deal Size	<$25 mn	$25-$49 mn	$50-$99 mn	>=100 mn	Total
2009-11	256	80	42	42	420
2012-14	273	86	50	46	455
2015-17	164	58	54	89	365

	2009-11	2012-14	2015-17
Number of deals >$500 mn	1	3	8
Number of deals>=$100 mn	191	233	245
Largest deal size in period ($bn)	~0.85	~1.25	~1.80

Source: AVCJ Research; VCCEdge; McKinsey Private Equity & Principal Investors Practice analysis secondary sales, as opposed to traditional IPOs. The number of India focused VC deals have risen tremendously, from $718 million (across 141 deals) in 2006, to $4.42 billion (across 368 deals) in 2015. During this time, over 40% of VC deals, in terms of value and volume, were concentrated in the e-commerce sector[9].

PE/VC Investments Across Sectors

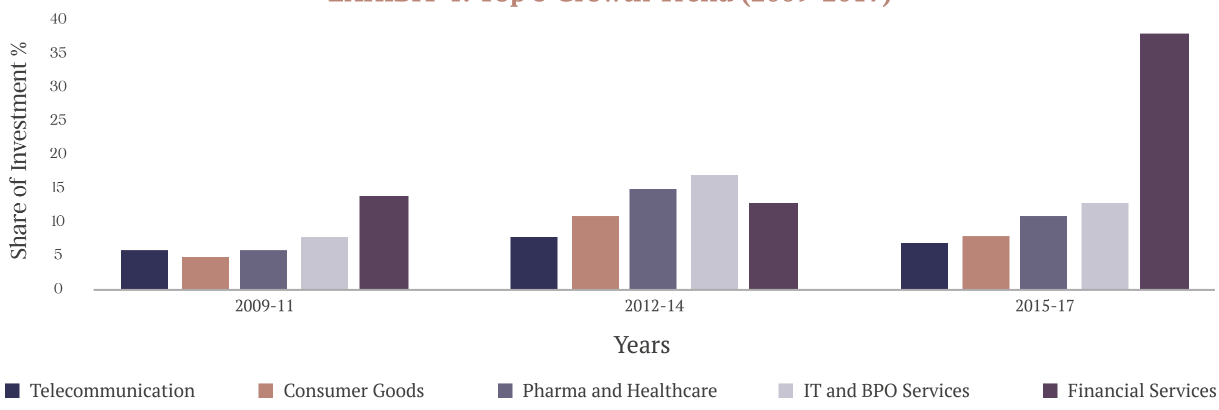
Overall, from 2001 to 2014, the private equity industry invested over $100 billion in about 3,000 firms across sectors[10].

In 2016, the market experienced a drop in start-up investments as valuation concerns led to cautious investor sentiments. The next two years experienced a decline in deal values as e-commerce start-up deals fell from 169 deals in 2015 to 45 deals in 2017[11]. However new opportunities arose across other burgeoning sectors such as financial services and logistics. 2018 saw an unprecedented increase in the number of Indian unicorns and 2019 has been one of the most active years for PE/VC investments, and looks to be on track to overtake 2015 in terms of number of deals.

Connection Between the Economy and PE/VC Investments

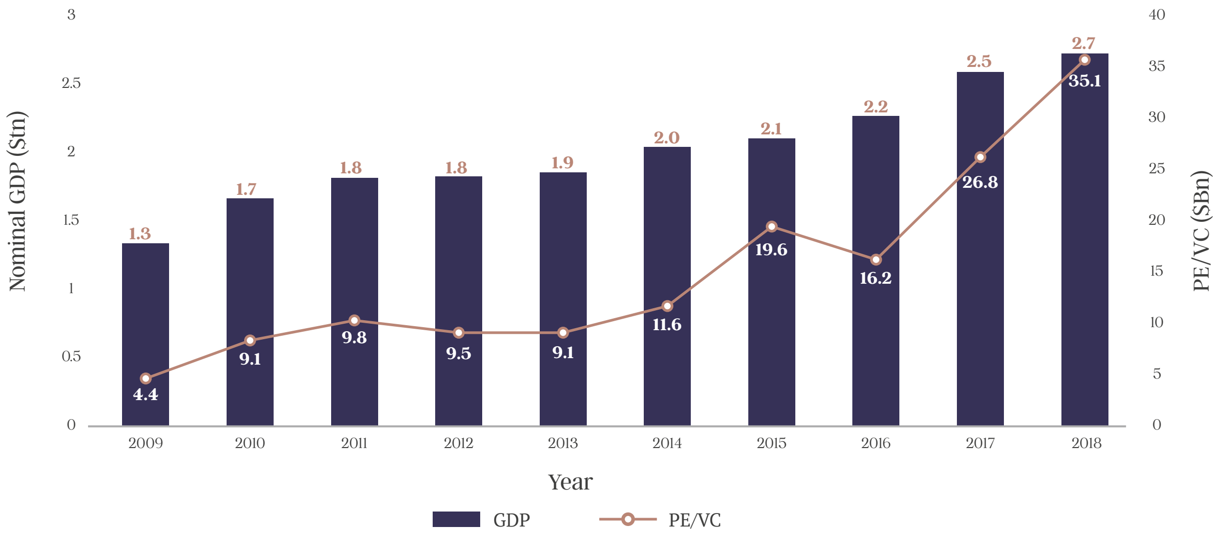
The parallel between GDP growth and PE/VC investments has been fairly consistent and bolstered by major economic reforms such as Demonetisation and the introduction of the Goods and Services Tax. These reforms have given a major push to new market opportunities. At the same time, affordable access to high speed internet and the proliferation of smartphones has been a major factor in bringing a large portion of the population online in a very short span of time. As a result, global investors have exhibited greater confidence in India's prospects.

EXHIBIT 4: Top 5 Growth Trend (2009-2017)



Source: VCCEdge; EY Analysis

EXHIBIT 5: PE/VC Growth with Economy (2009-2018)



Source: VCCEdge; RBI Data; Waterfield Analysis

India has doubled its contribution to world growth in the last ten years and is now the 10th largest destination for foreign direct investments. In fact, India consistently ranks as one of the top three destinations for greenfield capital investments[12].

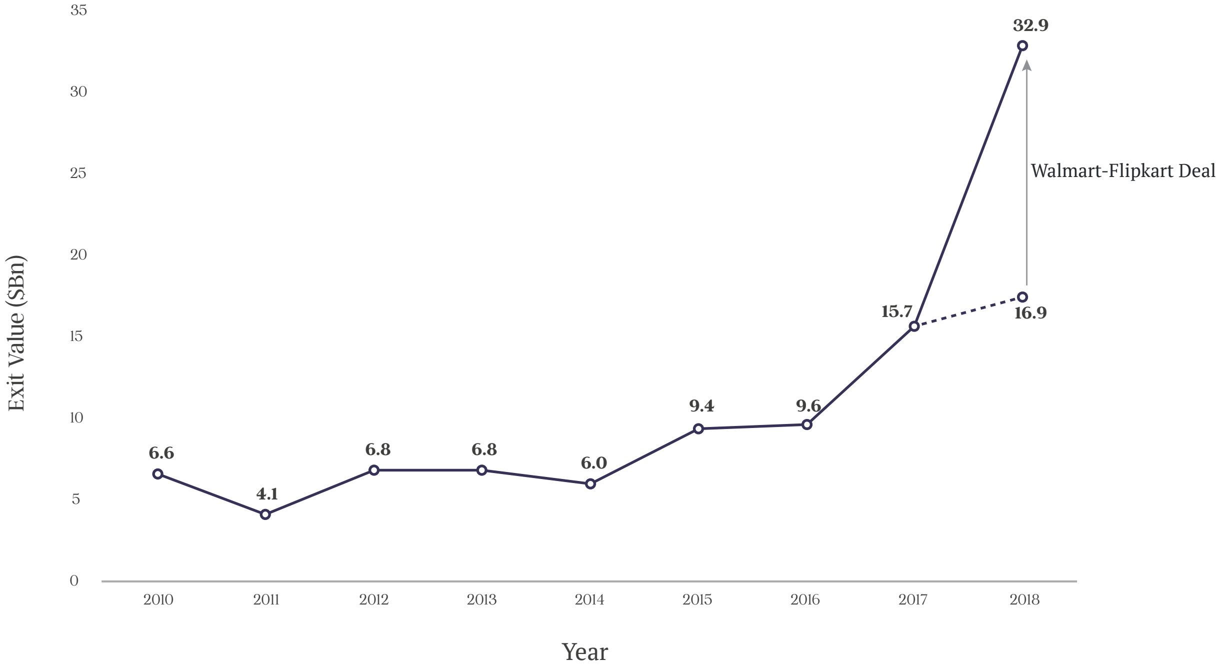
Exits in the Indian PE/VC Space

The last five years have seen a steady rise in the number of exit options for PE/VC investors. As the domestic stock market matures and the rate of secondary sale transactions rises, it is becoming easier for PE/VC firms to secure exit deals. Until 2015, PE/VC funds had made steady investments but were still waiting for their returns.

Since then the pace of PE exits has increased dramatically, rising from just over $6.6 billion in 2010 to $32.9 billion in 2018 – a five-fold increase.

In 2018, this growth trend experienced a surge as the exit rate doubled to a record breaking $33 billion, primarily boosted by the $16 billion Walmart-Flipkart deal. This was just one of about 265 exit deals for the year, a rise from the 211 exit deals in 2017[13]. The first half of 2019 recorded exits worth $4.1 billion across 77 deals[14]. This is of particular note since this is in contrast to the global trend which has been fairly flat for nearly 3-4 years.◆

EXHIBIT 6: Rising PE/VC Exits (2010-2018)



Source: Bain PE exits database

Insights for LPs in the Indian VC Market

- Insight 1: IRR And Its Evolution
- Insight 2: Concentration Risk
- Insight 3: Timely Exits

LP Insights: Fee Structure and Capital Call Schedule

The typical time horizon for VC funds is much longer (up to 12 years) as compared to other investment vehicles, depending on the stage at which these funds invest.

The active investing period in such funds is the first 4-5 years. Fund managers prefer to keep enough time (on average 5-6 years) for their youngest fund investments to deliver an exit. This implies a typical fund life of 10 years, with an option to extend it by 2 years to accommodate for changing market dynamics.

Most funds follow a 2:20 fee structure with 2% for management fees every year till the life of the fund, and 20% as 'carry' on the fund performance. In case of smaller funds, say between ₹100 Cr. and ₹150 Cr., management fees can go as high as 3% during the investment period due to the small fund size and high fixed operating costs. In this setup, funds prorate management fees across the life of the fund to achieve a 2% annual rate. For instance, for a 10-year fund, the first five years may be the investing period when the management fee may be 2.5% per year i.e. 12.5% for this duration. During the subsequent harvesting period, management fee may fall to 1.5% i.e. 7.5% for this duration. The total 10 year fees will be the sum of these rates and equal 2% per year over the life of the fund.

Funds also have a capital call schedule, by which they draw down about 10%-15% of the committed amount with every call. Often the first capital call happens before the final close of the fund as some investments are already in the pipeline during the 12-18 months period between the first and final close of the fund. The remaining amount may then be called either evenly over the investing period of 4 to 5 years or on an ad hoc basis as investments are finalised. ◆

Recognition of Indian entrepreneurs and the success of their ventures has no doubt scaled greater heights in the last few years, but it is important for LPs to note that VC activity in India is relatively new. The majority of Indian VCs are global funds that exclusively operate with international capital. Traditionally, these funds also have a very loyal LP base and rarely raise funds from newer or smaller institutions.

Moreover, the regulatory issues for domestic capital in international funds make it even more difficult for Indian Family Offices and domestic institutions to participate in these VC funds. Consequently, very few domestic investors have been able to participate in the growing tech venture space in the country. In fact, of the 25 tech unicorns the country has seen (currently 21 have the unicorn status), it is very critical to note that only 4 domestic funds have participated in the successful journey of only 4 of these unicorns. However, there has been a steady rise in the number of Indian fund managers, both experienced managers from international funds branching out on their own and institutions raising successive funds.

For any LP, investing into VCs is primarily motivated by the desire to generate superior returns. However, there is very little data about the actual performance of most funds. Adding to this, the fact that these funds are highly illiquid, very long-term vehicles (often 10 years) with a high fee structure, makes investing into VC funds almost a leap of faith.

Waterfield has taken the initiative to analyse the quarterly performance and distributions for 40 domestic funds to arrive at some very interesting insights. This detailed analysis will serve as a guide and a reference point to help LPs take an informed decision before investing in any VC fund.

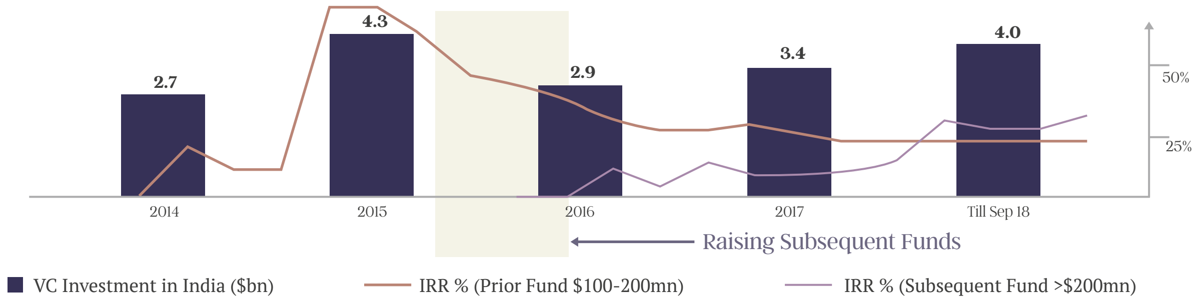
Insight 1: IRR and Its Evolution

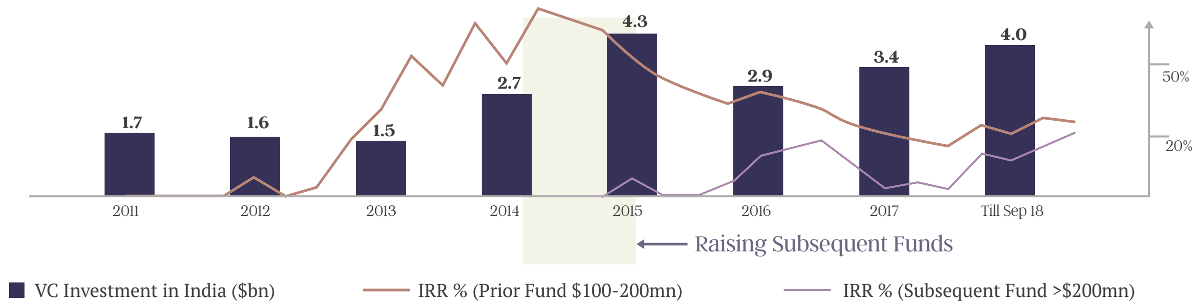
All VC fund managers target a 20-25% IRR with a multiple of 4x on the capital raised. As most of the investments made by these funds are illiquid, the IRR and Multiple on Invested Capital (MOIC) are determined based on the valuation of each portfolio company in their respective latest rounds.

Waterfield's analysis of 40 funds across multiple vintages has thrown up a definite pattern in the evolution of a fund's IRR over its life cycle. The analysis is illustrated in Exhibit 7, which shows how the IRR has evolved for two fund managers over time for two of their funds.

In both these cases, the fund IRR shows a tendency to rise during the first few years of the life cycle before tapering downwards. This trend is most likely driven by the following factors:

EXHIBIT 7: Fund IRR Evolution





Source: IRR Trend data from Waterfield database;
Deal activity data from Bain & Co. and IVCA – Perspectives on Indian Ecosystem, Dec. 2018.

- Fewer drawdowns from fund LPs and hence a lower base. As capital called reaches closer to capital committed, IRRs tend to rationalise over time.

- Fewer investment and quicker mark-ups. As the fund makes more investments, it becomes increasingly difficult to achieve markups across the entire portfolio. Consequently, each markup doesn't affect IRR significantly.

The analysis of the two fund managers also demonstrates an interesting correlation between IRR and the deal activity in the ecosystem. The trend shows that during the life cycle of these funds, the IRR followed an upward trajectory until 2015, as it was among the most active years for VC investments in India. Both fund managers then launched newer funds which once again followed a similar path up to 2019, which is poised to be one of the most active years in recent history.

A key observation here is that the IRR climb of a fund manager's currently active fund seems to coincide with the fund manager's decision to undertake fundraising for a subsequent fund. Fund managers opt to launch subsequent funds every 3 to 4 years so they can remain active investors in the market. This new launch often takes place even before their previous funds have returned any capital. Under such circumstances, LPs need to be aware that the IRR is likely to rationalise over the next few years. Their decision to invest with a fund manager needs to be informed by multiple other factors and not be solely influenced by a mere IRR growth trend.

Insight 2: Concentration Risk

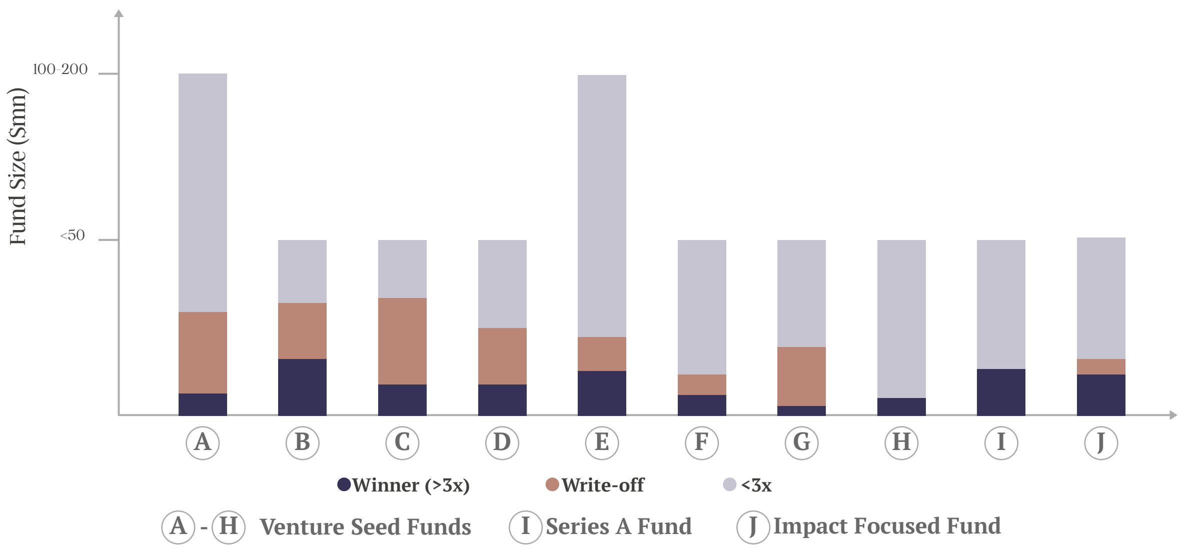
VC fund managers are incentivised to take on more risk so as to generate superior returns. Most VC funds (at least in India) target companies in the early (and hence riskiest) stages of their lifecycles. Ideally, fund managers seek to return a significant portion of their fund size from each investment. However, this is not usually the case as a fair percentage of investments do not return any capital and are written-off.

Waterfield's analysis of 10 seed funds from the 2010-2014 vintage demonstrates the reality of this observation, while shedding light on some other critical implications. As the data shows, on average nearly 34% of the investments have already been written off. The bulk of the investments, about 51% are marked at less than 3x of invested capital for those respective companies.

This means that after about 5-7 years, the investments in a majority of the portfolio companies have not only been written off but also failed to achieve the 25% IRR mark on an individual basis. Only a very small percentage, about 15% of the overall fund holdings have been classified as winners by fund managers.

This trend (Exhibit 9) implies that there exists a significant concentration risk in a handful of companies on the basis of which a fund has to return a relevant multiple of the capital raised to its LPs. Further analysis by Waterfield across all the 40 funds also reveals

EXHIBIT 8: Vintage (2010-2014)



Source: Waterfield Database

the extent to which this concentration risk is prevalent across funds. Our illustrated analysis in Exhibit 9 shows the percentage contribution to the fund MOIC by the fund's single largest investment.

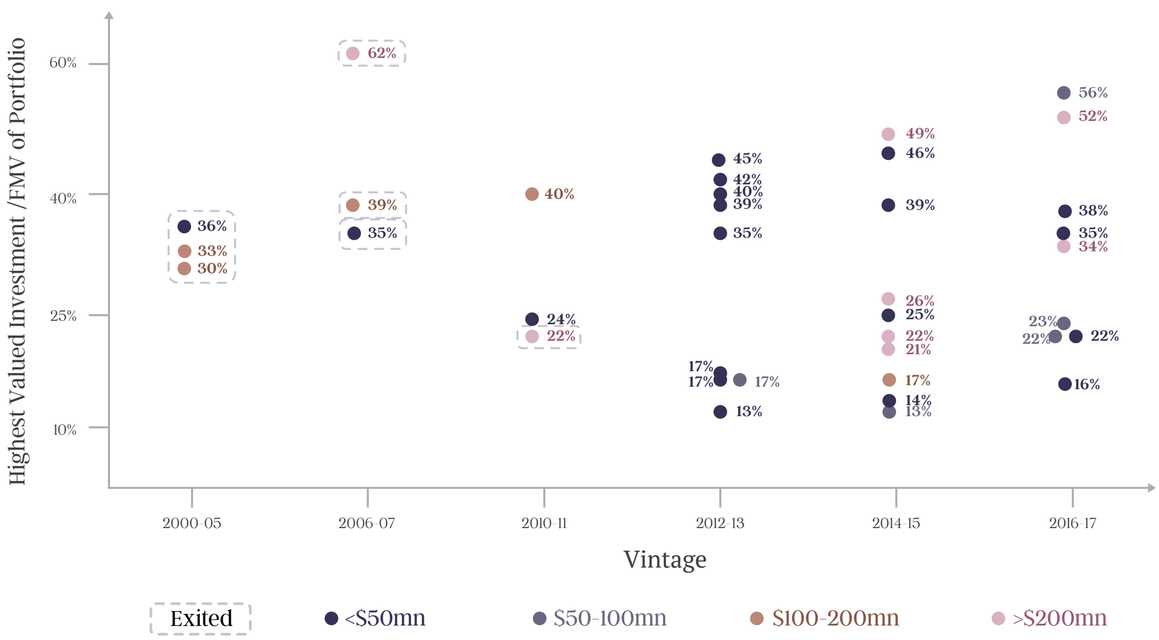
Most funds below $50 million seem to have a higher concentration risk, i.e. more than 20% of their current MOIC on a single investment. Only five out of the 18 such funds from our dataset had a lower concentration.

Typically, the expectation is that concentration risk would reduce as the fund size gets larger. However, the existing data sets do not concur and in fact contradict this thinking. The data shows that some of the largest funds have the highest dependency on a single investment to justify their high returns.

While it may be too early to comment on the 2016-17 vintage of funds, for most of the older vintage funds it seems the overall fund performance depends heavily on a single investment. In such cases, the fund managers' ability to generate liquidity from that single investment becomes paramount. The relationship between the entrepreneur/promoter and the fund manager might be a key factor here. 'Passive' or 'confrontational' investors may not find the support they need from the entrepreneur and the rest of the board for securing an exit.

Waterfield data and research shows that LPs need to be mindful of the concentration risk inherent in fund portfolios. Given the nature of VC funds, a high concentration is common. This was true during the 2000 to 2011 period, when most exited funds (from our dataset)

EXHIBIT 9: Dependency on Highest Valued Investment/Concentration Risk



Source: Waterfield Database

had between 22% to 62% concentration in one single company. This trend is still prevalent and will continue to be so. LPs need to be cognizant of this risk and ensure that fund managers are on top of all macro, sectoral and competitive trends affecting their largest investment, are frequently spending time with the entrepreneur, and have put together a plan for an eventual exit.

Insight 3: Timely Exits

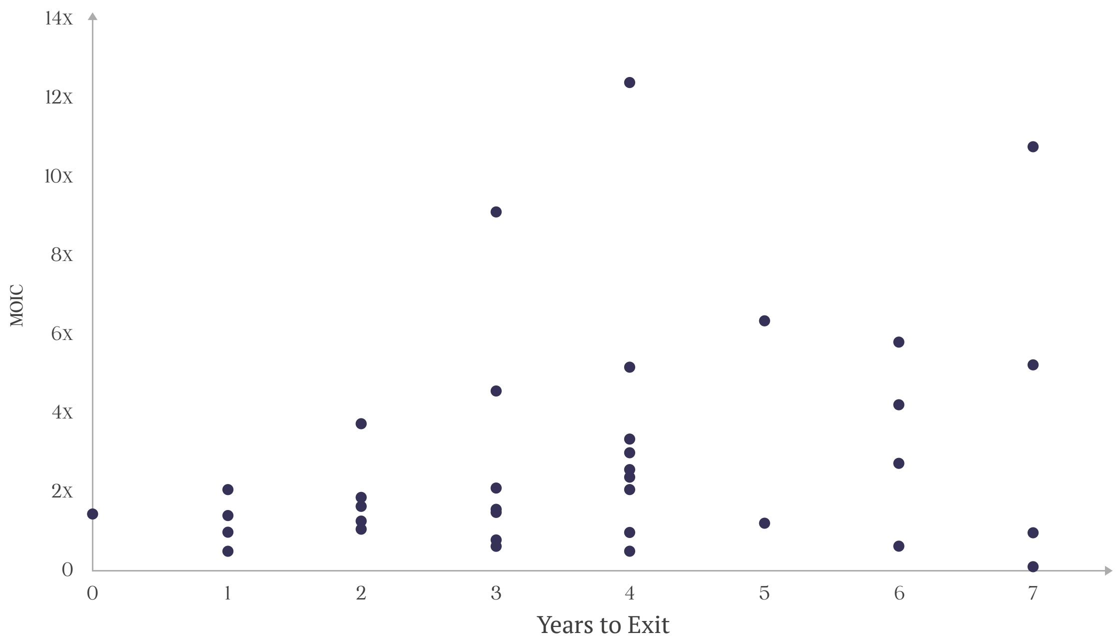
Waterfield's experience working with fund managers has revealed two distinct schools of thought when it comes to exits:

- Hold every investment as long as possible until a total exit is achieved through M&A or IPO
- Accept market uncertainty and the challenge of accurately predicting the perfect time to exit. Adapt by exiting small tranches of each investment regularly in subsequent rounds through secondary share sales

Both these strategies are radically different and the reality is that India is still a very young VC market with limited historical data and trends to conclude on a 'better' strategy. At Waterfield, this problem is being addressed pro-actively by collating and assembling an ever expanding fund database.

Waterfield's analysis of 42 distinct exits by the VC funds in the dataset reveals some interesting insights. The data shows that '10x' exits, in terms of return on invested

EXHIBIT 10: Exit Analysis - MOIC Distribution



Source: Waterfield Database

capital per company, are a rarity from domestic funds. However, this situation is likely to improve as the investment ecosystem matures and exits become more frequent. At the same time, given that most of the data is over a relatively short window, it is quite likely that a bulk of the '10x' investments have not been exited yet and the fund managers continue to hold them. As an example, Accel's first cheque into Flipkart was in 2008, and the exit closed in 2018.

In aggregate terms, the data shows that the majority of exits are achieved in the 3-4 year hold window. An interesting observation here is that exits beyond the 4-year window don't appear to offer any significantly higher MOIC. The data implies that perhaps solving for IRR rather than MOIC might be better beyond 4 years for most portfolio companies, excluding the massive outliers.

◆

Vision for the Future

- Wave of Domestic PE/VC Funds
- Exponential Growth in Indian Entrepreneurship
- India: The Next 10 Years

The first 8 months of 2019 have already seen nearly $37 billion in PE/VC investments, breaking all previous records[15]. This growth was fueled by 16 major deals valued at $100 million each and numerous new sectoral investments in the infrastructure and real estate segments.

Overall, the first eight months of 2019 also saw India-focused fundraising of over $5.32 billion - a 100% increase from 2018's $2.55 billion for the same period. This was accompanied by an increase in the deal volume by 48%[16]. The Indian PE/VC space is rapidly approaching global maturity.

Wave of Domestic PE/VC Funds

So far, this space has directly benefited foreign investors who have deployed international capital into the Indian market. It is not surprising that the recent string of successes by Indian fund managers has inspired new, homegrown ambitions. This migration is becoming all the more common due to inherent structural issues prevalent in major funds. Typically, a fund can only have a limited number of GPs which incentivises talented principals and operating partners lower in the hierarchy to venture out and start their own funds. Consequently, the number of acclaimed fund managers with global fund management exposure setting up their own funds is a direct reaction to these factors.

As these fund managers leave behind marquee companies they carry with them the experience and knowledge intrinsic to the Indian market. The pedigree of these managers comes from globally established firms such as Sequoia, Blackstone, Carlyle, Fairbridge, Warburg Pincus, Bain, and KKR. In total, approximately 100 fund managers are projected to raise over $15 billion for India-focused funds, many of which will take the form of home-grown PE/VC investment funds backed by domestic Limited Partners[17].

This strategic geographical shift of fund managers marks a major opportunity for Indian business families and Family Offices to participate in the growth story of successful Indian ventures. The past ten years have been instrumental in promoting the potential of the investment opportunities in the Indian space. And Indian business families have been paying attention. While there has been a handful of major independent domestic funds in India, they are poised to partner with a flood of new LPs. A prime reason for this lies in the emergence of Indian mid-market investment firms such as A91 Partners, Amicus, Faering, Fulcrum and others. While global funds have focused on seed and late-stage PE investing, these mid-market players are well suited to empower companies in their early to mid-stages.

Exponential Growth in Indian Entrepreneurship

A major contributing factor in this regard has been the initiatives by the government and large international financial institutions. Take for instance SIDBI backed PE/VC funds that have an Indian currency vehicle. Not only does this combination help strengthen LP confidence in domestic PE/VC funds but also assures certain stability for the long term.

Such focus is also evident in the government backed support for entrepreneurship.

The rise of the modern Indian startup truly kicked off in the post-recession phase. Since then India has demonstrated the ability to foster a robust culture of entrepreneurship. During the 2005 to 2015 period, more than 10,000 startups received venture funding with a 48% average annual growth rate in investment flow[18].

The support of government regulations and an increased focus on data has played a critical role in enabling the movement from unorganised to organised markets across sectors. This structural and economic cohesion is evident by the rise in the number of new start-ups outside of major economic centers. There is a new resurgence in the origins of startups as nearly 20% of all Indian startups are now rising in Tier 2 and Tier 3 cities, with 5,800 startups in Tier 2 cities alone attracting over $1.3 billion in funding over the last five years[19].

These new companies are directing technology and innovation towards local challenges and offering new avenues for value creation in sectors such as agriculture, education, financial services, healthcare and more. This trend is being closely pursued by funds as they attempt to separate the wheat from the chaff. The government is also furthering this cause by establishing incubators and other essential systems to help fledgling companies find the right guidance, funds, and infrastructure.

India: The Next 10 Years

All these changes are converging on the changing nature of Indian consumers and their consumption patterns. As one of the fastest growing economies in the world, India is projected to have four-fold growth in consumer spend by 2030[20]. This is also complemented by the fact that India is also poised to be one of the youngest nations with over 1 billion digital consumers. All these trends will transform India from a traditional outsourced economy built on IT and BPOs to a more tech-consumption economy powered by consumer technology and fintech.

These changes are predicated on the emergence of certain key metrics. The foremost of these is the maturation of the Indian middle-class. According to the latest projections, the share of middle-income households will rise from about 50% today to 80% in 2030, while driving 75% of consumer spending. As nearly 150 million households are elevated into this burgeoning middle class, there will be an estimated 20 million new high-income households. These new segments will spend nearly 2.5 times more on essential goods and four-times more on services, while the upper-middle class and nouveau riche will contribute to an increase of 20% in the ownership of durables[21].

As these new demographic segments take the reins of the economy, India will enter its consumerisation phase. This implies that Indian consumers will not only focus on greater consumption but also a greater preference for higher quality. This will open up new avenues for businesses across a wide spectrum of products and services. Everything from consumer goods to recreational services and from consumer tech to financial services are projected to see an uptick. Today's startup generation will be driven by these shifts and position itself to leverage the opportunities in the new India.

Given the data, the forecasts, and the general wave of global optimism around the India growth story, the general confidence about investments in India seems justified. The pace of Indian PE/VC investments has never been faster. This performance is particularly heartening given that India is a relatively late entrant in the PE/VC space. But despite the late start and temporary speedbumps, there is no doubt as to its potential for the future.

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About Waterfield

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We help clients plan, structure and manage their family wealth, working exclusively on their behalf as their dedicated Family Office. As an advisory firm on the Investment side, we have an open architecture platform working with all the leading product manufacturers across AMCs, PMS and AIF providers. We believe in transparency and unlike other wealth managers and Family Offices backed by financial institutions, we are pioneering the concept of being a pure advisory firm and do not receive any distribution fees from any product providers and work solely for our client's benefit, helping them over time to improve their portfolio returns and lower their cost of investment.

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Notes

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