

Investment Memo: Brew Fund

Date: July 19, 2025

Confidential – For Internal Use and Select Investors/Analysts Only

Executive Summary

Brew Fund is an emerging community-driven microfund initiative from Deja Brew HQ, aimed at backing early-stage founders tackling complex consumer categories with sharp insight, deep conviction, and a long-term orientation. We're in the planning stages, building our team and seeking general partners (GPs) to support the fund's launch. Our near-term focus is the evolving direct-to-consumer (D2C) beverage space in India - a sector at the crossroads of cultural relevance, consumer experience, and brand innovation but we'll remain sector-agnostic to capture broader opportunities in consumer ventures.

Target fund size: \$5M, with cheque sizes around \$450K per deal. We'll invest at pre-seed and seed stages, sourcing and diligencing through a tight-knit community of operators, brand experts, and D2C alumni. This isn't just capital; it's a "smart money collective" that leverages community intelligence for deal flow, due diligence, and portfolio support, creating a flywheel of media, community, and capital.

Why now? India's D2C beverage market is exploding, driven by wellness trends like matcha and kombucha, with the overall D2C sector projected to hit \$60B by 2027 (per Redseer Consulting). Few funds are zeroing in on this niche with a cultural lens, giving Brew Fund a first-mover edge.

This memo is a call to action: We're hiring analysts to build our investment team and inviting primary investors (LPs and GPs) to join us. If you're an analyst passionate about consumer brands or an investor aligned with founder-first, insight-driven capital, let's talk. Contact: ridhi@dejabrew.com or LinkedIn (<https://www.linkedin.com/in/ridhi-kawatra/>).

Market Opportunity

India's consumer landscape is transforming, and beverages are at the epicenter. The D2C beverage segment encompassing everything from functional drinks (e.g., kombuchas, adaptogenic teas) to premium coffees and craft sodas is quietly reshaping how consumers engage with wellness, identity, and indulgence.

- **Market Size and Growth:** India's beverage market is valued at \$50B+ today, with non-alcoholic segments growing at 15-20% CAGR (Statista, 2024). D2C brands are capturing share, with the broader D2C market expected to reach \$60B by 2027 (Redseer, 2023). Trends like the rise of matcha (global sales up 20% YoY, per Nielsen) and kombucha (projected \$5B global market by 2025, per Grand View Research) are hitting India hard, fueled by urban millennials seeking health-focused, culturally resonant products. Think: Local brands blending Ayurveda with modern twists, or indie labels challenging giants like Coke and Pepsi through e-commerce and social media.
- **Why Beverages Specifically?** It aligns perfectly with Deja Brew's name and ethos—evoking familiarity while narrowing our lens to a high-potential niche. Beverages sit at the intersection of daily rituals (e.g., morning coffee as identity) and macro shifts (wellness boom post-COVID). In India, where per-capita beverage consumption is rising (from 20L/year in 2020 to 30L+ by 2025, per Euromonitor), D2C models are disrupting traditional supply chains. Yet, it's underserved by VCs: Most consumer funds are broad (e.g., Sauce VC's food focus) or global (e.g., Homebrew's operator-led bets in the US). Brew Fund fills this gap with specialized, community-backed insight.
- **Broader Consumer VC Context:** While beverages are our near-term focus, we're sector-agnostic to adapt, backing founders in complex categories like beauty, wellness, or food tech. India's startup ecosystem is heating up, with early-stage consumer deals surging (CB Insights: 300+ D2C rounds in 2024 alone). The opportunity is massive for funds that combine capital with real operator empathy.

This market is ripe for disruption, but success demands more than money, it requires cultural fluency and community networks, which is where Brew Fund stands out.

Investment Thesis

At its core, Brew Fund is founder-first: We back early-stage teams navigating tough categories with insight, conviction, and patience. Our thesis is simple—great consumer brands win through deep consumer empathy, brand storytelling, and operational grit. In beverages, we're betting on the "wellness × identity × indulgence" trifecta: Drinks that aren't just products but extensions of lifestyle (e.g., a matcha brand for urban yogis or a kombucha line for eco-conscious Gen Z).

What sets us apart? We're not a traditional VC; we're a community-driven microfund, inspired by models like On Deck's community sourcing (which raised \$20M Series A by leveraging networks for talent and deals) or India's own Blume Ventures' operator-LP approach.

- **Community-Led Model:** Deals source from our network - operators, ex-founders, and domain experts (e.g., via closed WhatsApp groups of beverage pros spotting the next kombucha star). Due diligence taps insiders for real-world checks on category timing and founder fit, reducing blind spots. Portfolio companies get hands-on value: GTM advice, early customers, hiring intros, and PR amplification.
- **Insight-First Capital:** We deploy \$450K cheques at pre-seed/seed, with deal volume flexible (aiming for 5-10 per year initially, scaling based on community flow). Co-investing opportunities for community members create shared upside.
- **Flywheel Effect:** Tied to Deja Brew's ecosystem—the Deja Brew Newsletter (<https://dejabrew.substack.com/>) and Headhunt vertical (finance talent for startups)—we're building a media-community-capital loop. Long-term vision: Expand to podcasts, demo days, and events, turning Brew Fund into a taste-making platform for category-creating brands.

In short, we're positioning as a "scout network meets operator-LP fund"—community-focused, with beverages as our wedge into broader consumer VC. This rare niche (D2C vertical specialization + cultural lens) gives us first-mover advantage in India's heating market.

Fund Structure and Terms

- **Fund Size and Stage:** Targeting \$5M for Fund I, in planning phase. Launch expected Q4 2025, post-team build and GP commitments.
- **Investment Focus:** Pre-seed and seed stages. Sector-agnostic but beverages-heavy initially (e.g., functional drinks, premium teas/coffees). Cheque size: \$450K primary, with follow-ons possible.
- **Deal Flow and Metrics:** 5-10 deals/year initially, sourced 80% via community. Expected IRR: 3-5x, modeled on similar microfunds (e.g., Homebrew's 4x returns from operator networks). Deployment period: 2-3 years, with 5-year fund life.

- **Fees and Carry:** Standard 2/20 structure (2% management fee, 20% carry), with community co-invest options to align incentives.
- **LP/GP Model:** Seeking GPs for strategic input; LPs include operators and high-net-worth individuals. Minimum commitment: \$100K for LPs.

This structure keeps us nimble, like Mistral AI's strategic memo that raised €105M by emphasizing focused, high-conviction bets.

Team and Operations

Brew Fund is an extension of Deja Brew HQ, initiative blending community, media, and capital. Check Deja Brew's LinkedIn (<https://www.linkedin.com/company/deja-brew-hq/>) for our growing footprint.

- **Founder Bio:** As founder of Deja Brew, I've built a platform curating consumer insights via our newsletter and Headhunt (finance recruiting for startups). My background as PE/VC Analyst working for Tresvista, iVentures Capital, Meteor Ventures, equips me to spot trends in D2C. I'm hands-on in fund planning, drawing from experiences in India's startup scene.
- **Team Build:** We're early—hiring analysts now to form the core investment team. Ideal candidates: 2-5 years in consumer/VC, passionate about beverages or D2C. Roles include sourcing, diligence, and community management. GPs wanted: Experienced VCs or operators to co-lead.
- **Advisors/Community:** Backed by a scout network of 50+ beverage operators, ex-founders (e.g., from kombucha brands), and Deja Brew subscribers. Operations will leverage tools like Airtable for deal tracking and Slack for community collab.

We're starting small but smart, much like Airbase's Series B memo highlighted team conviction in fintech disruption.

Risks and Mitigations

- **Market Risk:** Beverages could face saturation or regulatory hurdles (e.g., FSSAI norms in India). *Mitigation:* Sector-agnostic flexibility; community diligence spots trends early.

- **Execution Risk:** As a new fund in planning, team build is key. *Mitigation:* Phased hiring; leverage Deja Brew's existing network (e.g., newsletter for sourcing).
- **Competition Risk:** Broader consumer VCs (e.g., Peak XV) may encroach. *Mitigation:* Niche focus on community + beverages gives us an edge; first-mover branding via media flywheel.
- **Economic Risk:** India slowdown could hit consumer spending. *Mitigation:* Long-term orientation; back resilient, insight-driven founders.

Overall, risks are balanced by our micro size and community moat—echoing Rippling's memo, which addressed HR market volatility through strong thesis.

Call to Action

Brew Fund is more than a fund, it's a movement for insightful consumer investing in India. If you're an analyst eager to build our team (e.g., scouting deals in matcha or kombucha), or an investor ready to commit as an LP/GP, reach out. Let's brew something transformative.

Ridhi Kawatra

Founder, Deja Brew HQ & Brew Fund

ridhi@dejabrew.com

LinkedIn: <https://www.linkedin.com/in/ridhi-kawatra/>

This memo is for discussion purposes only and does not constitute an offer to sell securities. All projections are estimates based on current market data.