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Summer (Intern) Report: **Are Sports Now an Investable Asset Class?**

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Summer (Intern) Report: Are Sports Now an Investable Asset Class?

As Summer draws to a close, we wanted to wrap up our internship program by showcasing the work of our two interns, Jimena Campos and Charles Esber, students at Duquesne University and Bentley University respectively, developed under the supervision of Insigneo's research team. With their help and insights, on this occasion, we are bringing you a fresh perspective on a timely topic, which reflects our commitment to fostering young talent as part of the Insigneo Way.

> Professional sports franchises have opened to institutional capital, turning teams once treated as billionaire trophies into a fast-growing alternative asset class.

> Fixed supply, media rights locked in years ahead, and franchise valuations that have outrun the S&P 500 are pulling in firms like KKR, Apollo, Blackstone, and CVC across the U.S., Europe, and Latin America.

> The case is still unproven, since illiquidity, shifting rules, and the absence of a completed NFL sale mean returns rest on estimated valuations rather than realized exits, all in a market forecast to reach USD 862 billion by 2033.

For most of the last century, owning a professional sports team was a pursuit reserved for the ultra-wealthy and was rarely considered an investment option available to many. Teams were trophies, passed among wealthy families and acquired as much for status and fan loyalty as for financial returns. **That era is coming to an end.**

Over the past several years, major leagues in the United States, Europe, and Latin America have rewritten their ownership rules, opening the door to institutional capital for the first time. As a result, **basketball, baseball, football, and soccer franchises are increasingly viewed as distinct alternative assets.**

A powerful signal came in February 2026, when KKR agreed to acquire Arctos Partners for USD 1.4 billion.

For seven years, Arctos had quietly built minority stakes in dozens of teams across leagues ranging from the NBA and MLB to the English Premier League. The transaction closed in May. Its significance was not in the price paid for Arctos, but that **rather than investing through a specialized manager, KKR acquired the specialist itself.** The market had matured to the point where it was worth owning outright, not merely allocating capital to.

This piece examines how that transition occurred and what it means for institutional investors, the regulatory changes and economic forces driving valuations, the differences across the three regions, and the avenues through which firms such as KKR, Apollo, and Carlyle gain exposure today, along with the risks of each.

Why Now: The Structural Case

Sports teams once operated like private clubs. No law governed who could buy in, so incumbent owners selected approved buyers from their own networks, and acquisitions were often financed by a single family. **In 2005, Bain Capital proposed acquiring all 30 NHL teams for a combined USD 4 billion. Today, the average NHL franchise alone is worth roughly USD 1.3 billion.**

As valuations rose beyond what individual buyers could finance, **leagues opened their doors to institutional capital: MLB in 2019, the NBA and NHL in 2021, and finally the NFL in August 2024.** The NFL adopted strict guardrails, including a 10% ownership cap, no voting rights, and a six-year minimum holding period, provisions crafted by owners already familiar with private equity through their own investments.

What began as an option quickly became a necessity as transaction sizes surged. The 2023 sale of the Washington Commanders for USD 6.05 billion required a syndicate of roughly 20 co-investors. The benchmark climbed higher with the USD 6.1 billion sale of the Boston Celtics in 2025 and the Los Angeles Lakers' USD 10 billion valuation in October 2025. **Together, these deals cemented institutional private equity as an essential part of modern franchise acquisitions.**

Between 2013 and 2023, **the average NBA franchise gained roughly 650% in value and the average NFL franchise about 340%, against roughly 200% for the S&P 500.** Baseball and hockey appreciated more modestly, but the marquee leagues clearly outperformed public equities. These figures reflect estimated valuations rather than realized sales, as most teams have not changed hands, but the trend is clear and is illustrated in Graph 1.

Why Valuations Keep Rising

Franchise values have not risen simply because sports are popular. Four structural forces keep raising what investors are willing to pay.

Media rights are the engine. As streaming phases out the cable bundle, live sports are one of the few properties that still draw a large, synchronized audience, making them the most valuable content on television. Networks pay huge sums locked in for years: the NFL earns about USD 9 billion a year, the NBA close to USD 6.9 billion. That money is split evenly among teams, so even the worst team gets a guaranteed check, and that steady income is what makes a team worth financing.

Scarcity does the rest. There are only about 150 major-league teams, and the number barely grows. When leagues admitted private equity, demand jumped but supply could not, so prices rose quickly.

The rest of the business is also growing. Tickets, premium seats, sponsorships, and merchandise are all climbing, and leagues are expanding into Mexico, Brazil, and Germany. More fans in more countries lift a team's value.

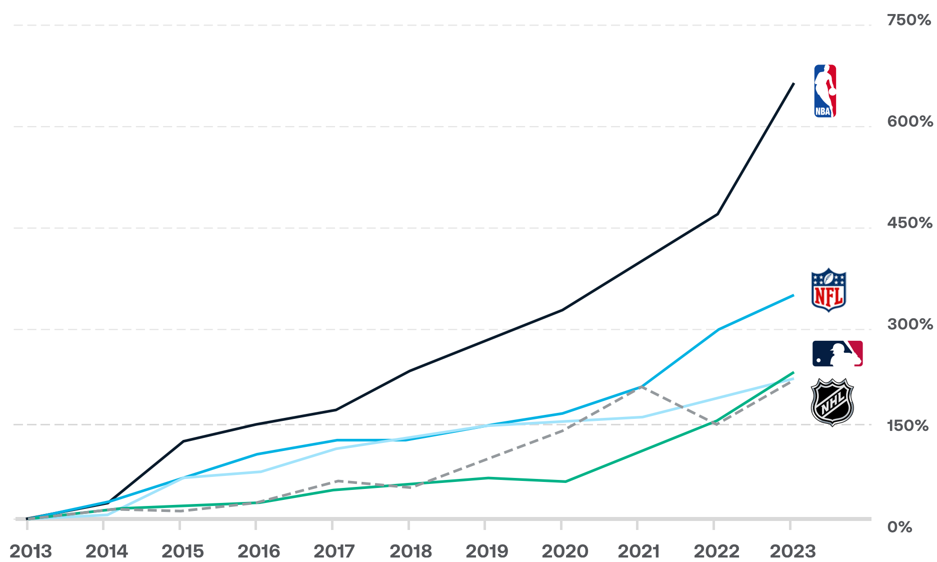
Graph 1. Valuations for major sports teams are soaring and outpacing the S&P 500.

Normalized growth of major sports leagues based on average franchise value compared to S&P 500 (%, 2013 to 2023)

- NFL
- NBA
- MLB
- NHL
- S&P 500

Source: Forbes, Statista, S&P Capital IQ, iCapital Investment Strategy, with data based on availability as of Jan. 22, 2025.

For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.



Finally, it holds up when other things fall. Fans keep spending even in recessions, and team values move independently of the stock market. **That mix of consistent growth and low correlation is an ideal one.**

One Trend, Three Playbooks

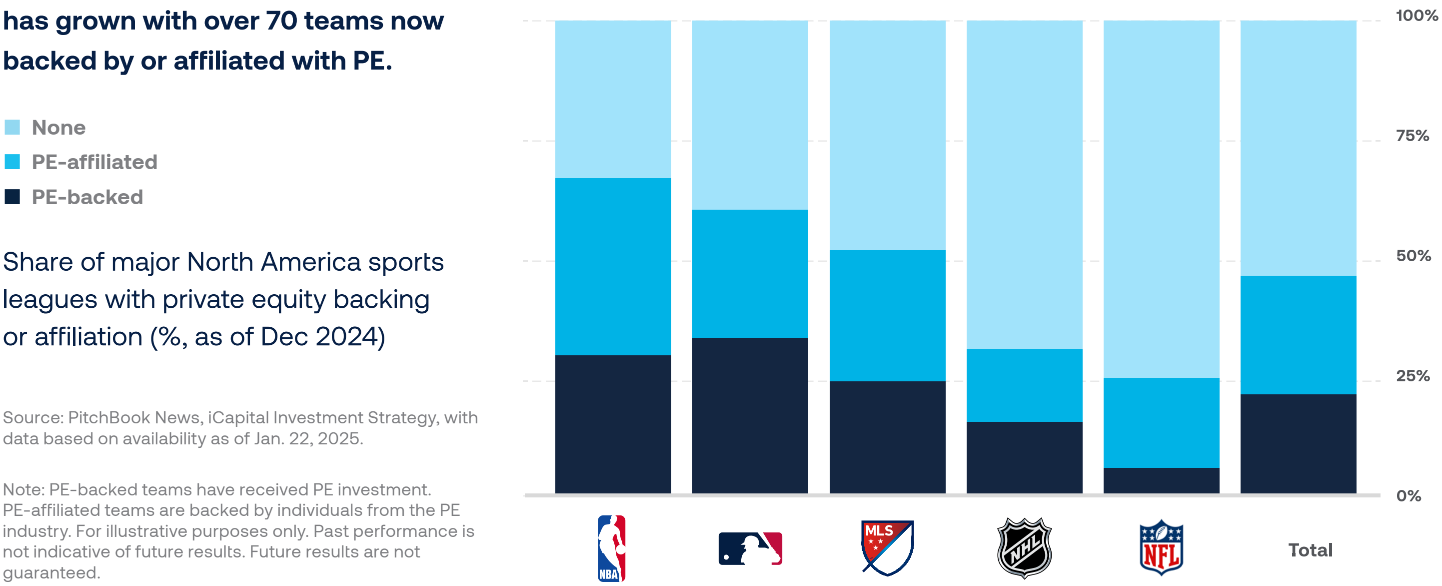
The United States created the blueprint and remains the most developed, tightly regulated version of the market. Each league is a closed system: no promotion or relegation, a fixed number of franchises, expansion only by owner vote, media rights negotiated centrally, and every transaction subject to league approval. **That predictability is what allows institutional capital to enter quickly.**

By late 2024, **more than 70 North American franchises, roughly half of all teams across the five major leagues, had institutional investors or private-equity ties,** according to iCapital. The NBA and MLB lead, at about 66% and 60%; the NFL, open only since 2024, has already reached roughly 25%. Debt has become nearly as important as equity. In July 2026, the New York Yankees entered talks with Apollo over a USD 2–3 billion package, structured mainly as debt, letting the Steinbrenner family keep control of a franchise valued above USD 9 billion.

Europe and Latin America differ because many clubs began as member associations rather than corporations with transferable shares, and their histories still shape how capital enters.

In European soccer, relegation can nearly halve a club's media revenue in a season, and rights are often sold club-by-club, making a straight equity stake too volatile to price. So in December 2021, CVC Capital Partners paid roughly EUR 1.99 billion for 8.2% of LaLiga's collective broadcast and sponsorship revenue over 50 years, a bet on the league rather than any one club. Latin America had to build the legal machinery first: Brazil's clubs were nonprofits that could not be sold until the 2021 SAF law let them incorporate and sell up to 90% to investors, free of legacy debt, with Cruzeiro the first to convert, raising

Graph 2. Involvement in the industry has grown with over 70 teams now backed by or affiliated with PE.



Share of major North America sports leagues with private equity backing or affiliation (%, as of Dec 2024)

Source: PitchBook News, iCapital Investment Strategy, with data based on availability as of Jan. 22, 2025.

Note: PE-backed teams have received PE investment. PE-affiliated teams are backed by individuals from the PE industry. For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.

about USD 400 million. Mexico is moving faster, since Liga MX clubs were already corporations: General Atlantic took 49% of Club América in December 2025, Apollo controls Atlético San Luis, more than a quarter of the league now has U.S. backing, and Liga MX is dropping relegation from 2026-27 and is in talks with Apollo and the NFL on a LaLiga-style media deal, timed around a 2026 World Cup expected to lift a league valuation already near USD 13 billion. Reports even emerged that FIFA was considering selling stakes in the World Cup itself, housed in a new company for the tournament's commercial rights, **a sign that even the sport's biggest prize is now treated as an asset to be sold.**

How To Get In

Most routes remain closed to individual investors. Buying into a team or lending to one, like the Yankees-Apollo deal, is for large institutions, and specialist funds like Arctos require millions and multi-year lockups. **That leaves two doors.** The first is public stocks: a few teams trade openly, including Manchester United, the Atlanta Braves, and Madison Square Garden Sports, which owns the Knicks and Rangers.

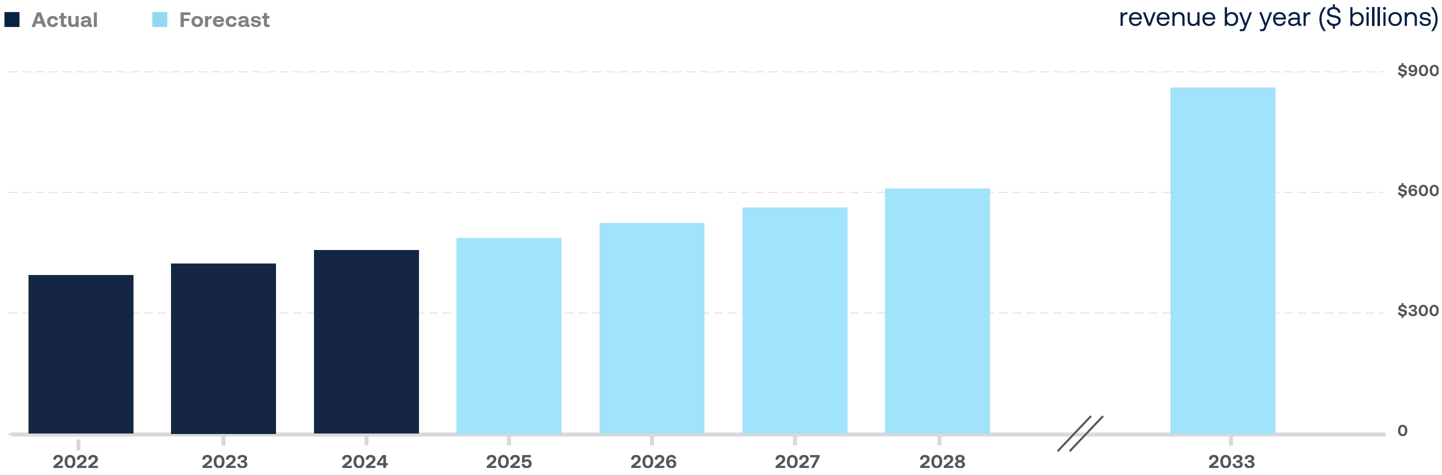
The second, newer door is prediction markets, where contracts pay out on real results and prices move like live odds. Polymarket and Kalshi are the biggest U.S. platforms, and the 2026 World Cup showed the scale: the two moved more than USD 6 billion on the tournament-winner market alone, and during the event these markets made up about 27% of legal U.S. sports betting, up from 9% at the start of the year. Kalshi's female users grew 106%, more than double the growth among men. **As millions bet in real time, outcomes trade like stocks and the teams behind them look more like assets priced daily.**

The Risks

The risks vary by route, but several apply universally.

The first is illiquidity. Capital often stays locked up for years, with minimum holding periods (six years in the NFL,

Graph 3. Global sports market is expected to grow 7% per annum and reach USD 860 billion by 2033.



Source: Houlihan Lokey, "Sports Market Update - Fall 2024," Statista, MarketResearch.com, Deloitte, iCapital Investment Strategy, with data based on availability as of Jan. 22, 2025. For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.

five in the NHL) and no central marketplace. A seller must find a qualified buyer for a specific stake, who must then win league approval, so investors seeking liquidity often accept meaningful discounts.

The second is regulatory uncertainty. Rules vary across leagues and jurisdictions and keep evolving; the CVC-LaLiga deal faced legal disputes for years. Public-market investors face a version of this too: Manchester United shares can swing on governance, ownership speculation, and on-field results as much as on financials.

The third is the lack of realized performance data. Because of lockups, **no investor has bought, held, and exited an NFL stake since 2024, so much reported performance rests on estimated valuations rather than realized returns.** The case depends on continued growth in media rights, sponsorships, and league economics; should that slow, valuations would come under pressure.

The Road Ahead

In little more than a decade, **sports have gone from closed to outside money to a market where KKR, Apollo, Blackstone, and CVC all hold positions,** with CVC operating on both sides of the Atlantic under two different rulebooks.

Three forces pull capital in - fixed supply, media rights locked in years ahead, and valuations that have historically outpaced the S&P 500. **The first completed sale of an NFL stake would be "game-changing" as** it would finally replace an estimated valuation with a realized one. It is the marker that this market is still awaiting.

Whether the case holds depends on the business continuing to grow, and the projections point that way. **The global sports market reached about USD 463 billion in 2024 and is forecast to grow roughly 7% a year to**

around USD 862 billion by 2033. That revenue is what services the debt and justifies the valuations throughout this piece.

Conclusion

Sports have crossed the line from passion projects to portfolio holdings. In little more than a decade, regulatory changes, soaring media rights, and fixed supply have turned franchises into an asset class that firms like KKR, Apollo, and CVC now pursue in earnest, and the case only grows stronger as the market heads toward USD 862 billion by 2033. Even so, the label is not fully earned. Illiquidity, shifting rules, and the near absence of realized returns mean the thesis still rests on estimated valuations rather than proven exits. The first completed sale of an NFL stake will be the real test. Until then, **sports look less like a settled asset class and more like one still in the making,** promising but waiting for the numbers to confirm the story. ■

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