THREE HORIZONS CAPITAL · RESEARCH

Sports Is a Theme, Not a Factor.

Institutional money is moving into sports. We tracked 18 listed clubs, franchises and competition owners for three years to see whether sports behaves as one asset. It behaves as 18: the return came from which club you owned.

$22.8bn

Held in 99 private funds with “sport” or “sports” in the name, across 46 advisers

−14.9% to +35.2%

Annual returns of the 18 listed sports names, from Juventus to Parken (FC Copenhagen), in USD

0.085

How closely two sports names move together, on a scale where 1 is lockstep

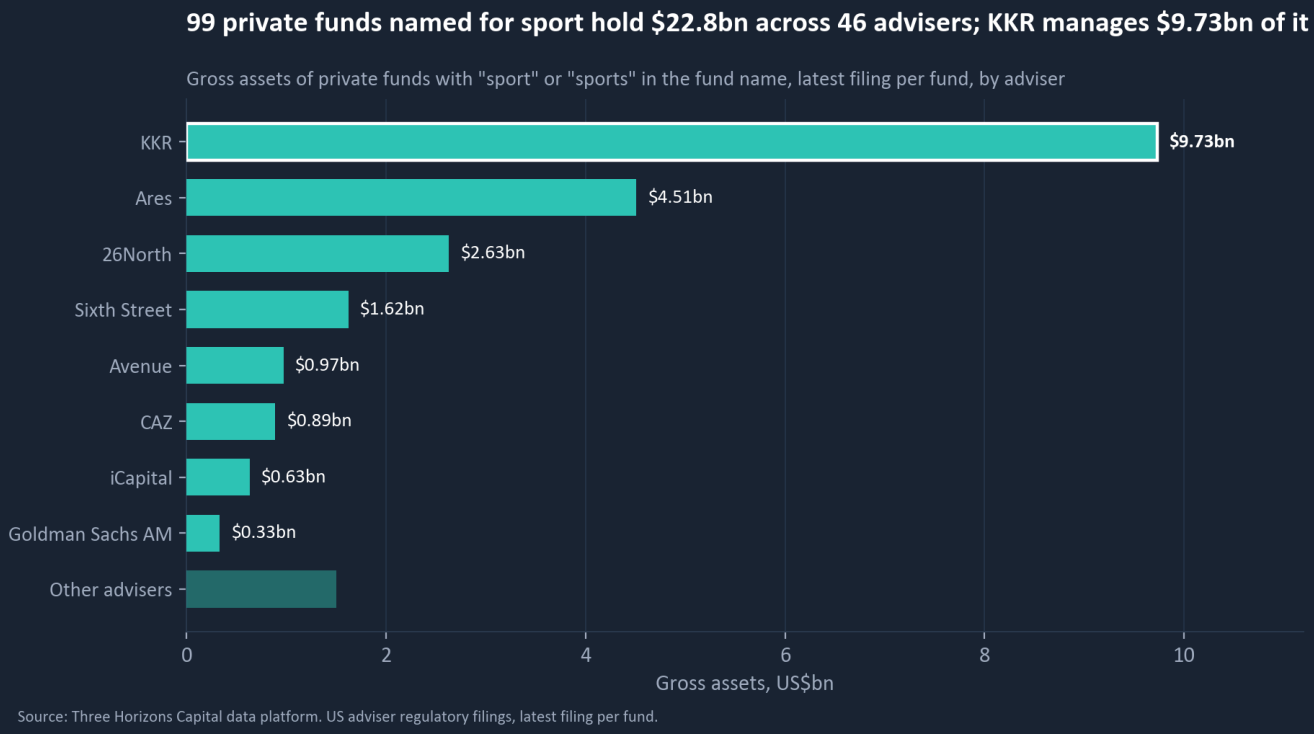
THE FINDING IN ONE LINE

Sports is a theme, not a factor: listed clubs and franchises barely move together, so the return comes from which club you own, not from owning sports.

Three Horizons Capital, Portfolio Analytics. Listed prices converted to USD at daily FX, 12 Sep 2023 to 22 Oct 2026; Form ADV private-fund filings; ETF flows to September 2026.

01 Sports has become an institutional investment theme

The capital is real. On their latest Form ADV filings, 99 private funds with “sport” or “sports” in the name report $22.8bn of gross assets across 46 advisers. The largest sit with KKR ($9.73bn), Ares ($4.51bn), 26North ($2.63bn) and Sixth Street ($1.62bn).



Source: Three Horizons Capital data platform. US adviser regulatory filings, latest filing per fund.

Public wrappers are following. GOLS, the sports-themed ETF in our universe, launched on 31 December 2025. It has taken in $22.3m and holds $35.0m, with inflows in six of its nine months and the other three flat.

So the question for a product team or a CIO is practical: is there one sports return to own, or many? If sports is a factor, any basket captures it. If it is a theme, the result depends on what goes inside.

02 We tested 18 listed sports owners, measured in one currency

We tested the listed end of the market, where prices are daily. Our basket holds the names in our data that own the sporting rights (a club, a franchise or a competition) and have a clean daily price history from 12 September 2023 to 22 October 2026.

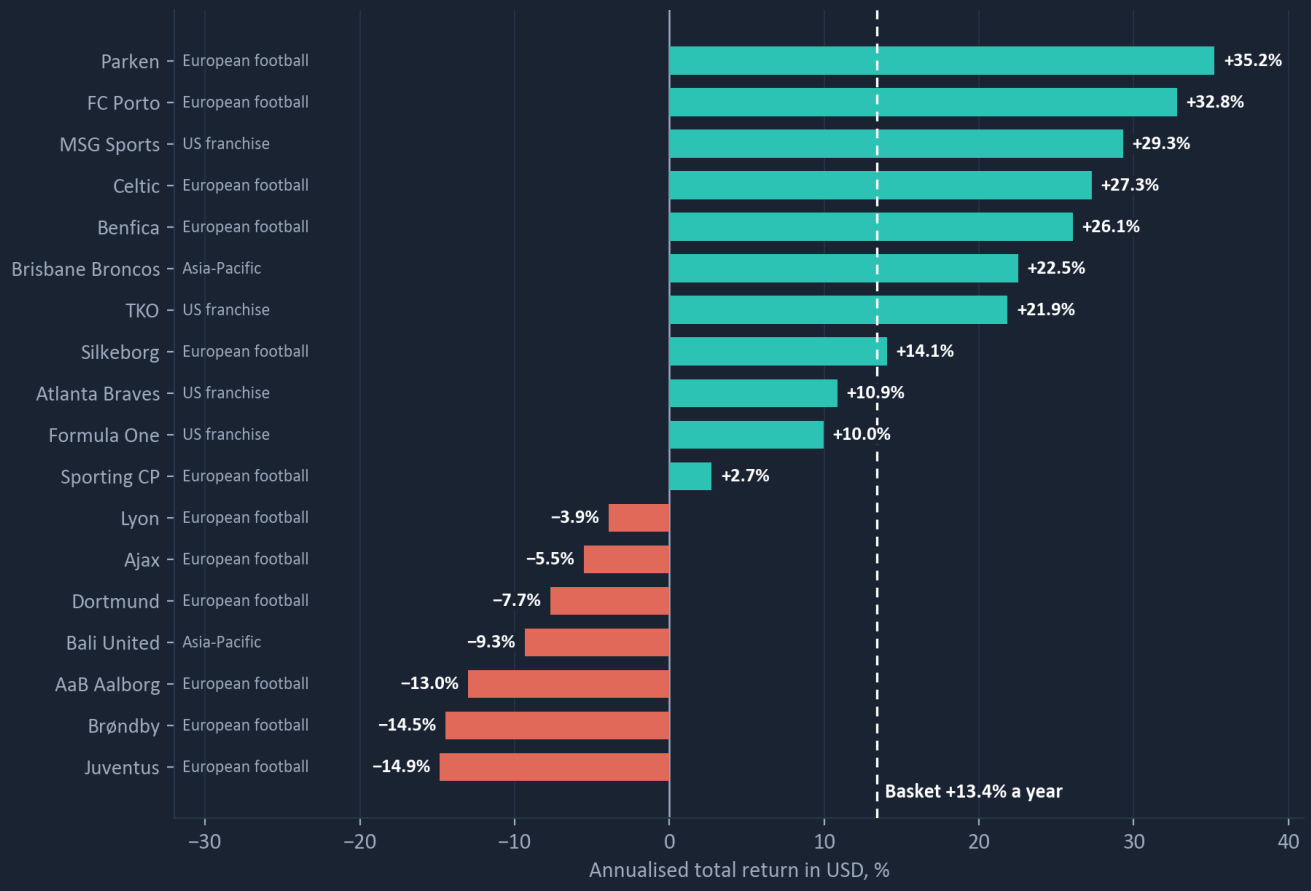
That gives 18 names across ten markets and six currencies: 12 European football clubs, from Juventus to Silkeborg; four US franchises and competition owners (MSG Sports, Atlanta Braves, Formula One and TKO); and two Asia-Pacific clubs, Brisbane Broncos and Bali United. One share class per company, every price in USD at daily exchange rates, equal weight.

03 Single-name returns are 50 points apart

Over three years, Parken (FC Copenhagen) returned 35.2% a year, FC Porto 32.8% and MSG Sports 29.3%. At the other end, Juventus returned −14.9%, Brøndby −14.5% and AaB −13.0%. Eleven of the 18 rose; seven fell.

Inside one theme, annual returns ran from −14.9% to +35.2%: the club decides the result

All 18 names in the basket, ranked. Eleven rose and seven fell; the dashed line is the equal-weight basket, rebalanced monthly

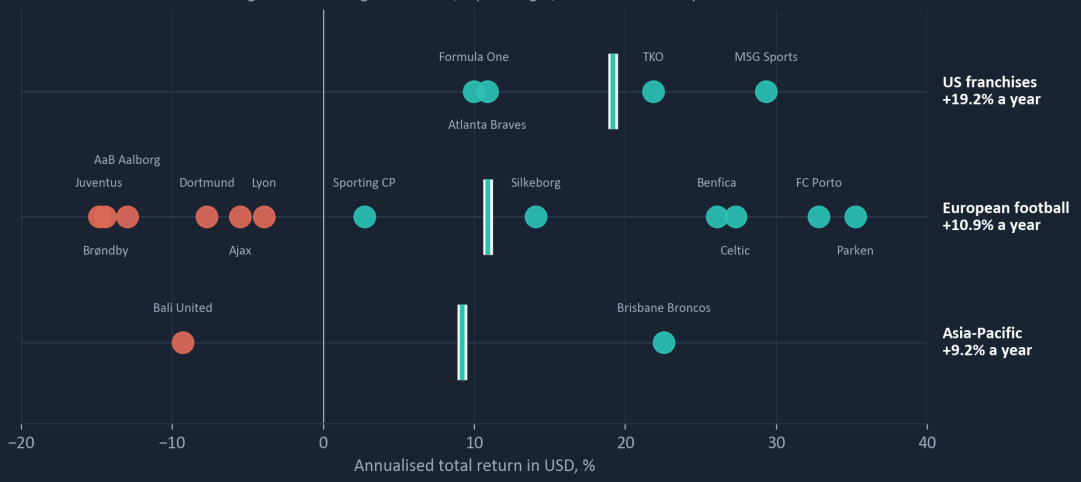


Source: Three Horizons Capital data platform. 18 listed sports rightsholders, total return in USD, 12 Sep 2023 to 22 Oct 2026.

Business model separates part of the field. US franchises and competition owners, which own leagues, venues and media rights, returned 19.2% a year as a basket. European clubs, whose fortunes ride on results, qualification and player sales, returned 10.9%.

US franchises returned 19.2% a year and European football 10.9%; the spread inside each group is far wider than the gap

Each dot is a name; the white-edged bar is the segment basket, equal weight, rebalanced monthly



Source: Three Horizons Capital data platform. 18 listed sports rightsholders, total return in USD, 12 Sep 2023 to 22 Oct 2026.

Segment is a starting point, not the answer. Inside every group the spread is wider than the gap between groups: MSG Sports 29.3% against Formula One 10.0% among the US names, and the full 50 points inside European football.

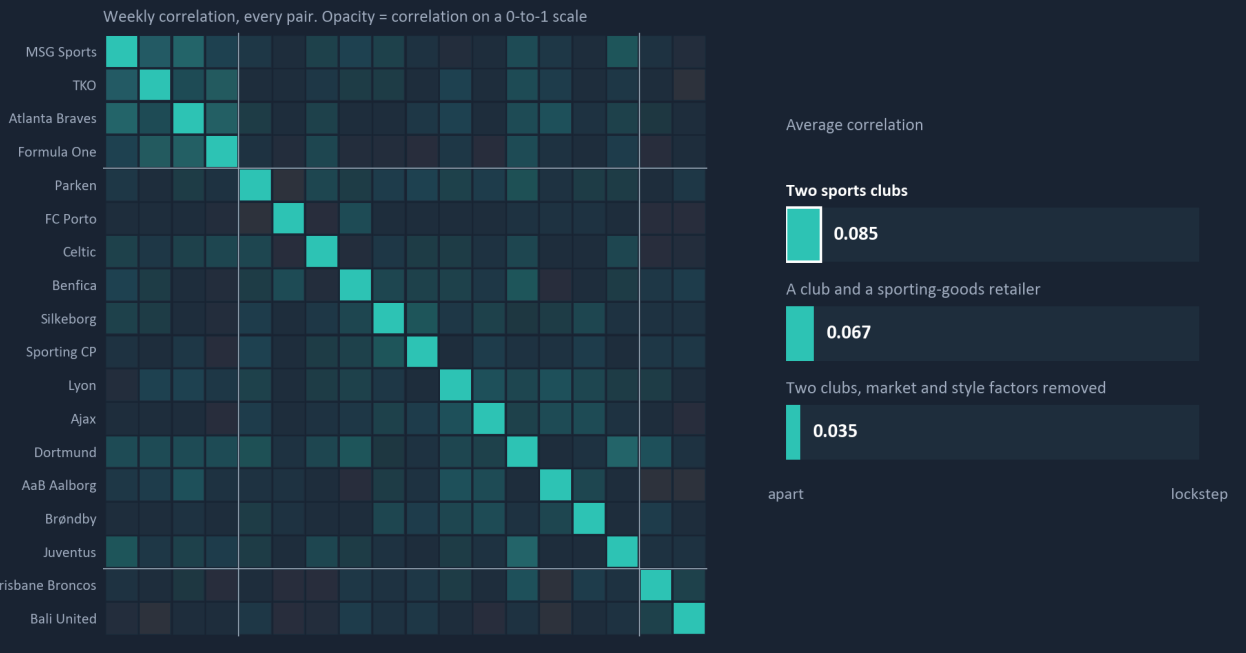
04 Sports names move with each other about as much as with a retailer

Correlation measures how far two prices move together: 1 means lockstep, 0 means unrelated. If sports were one asset, its names would sit well up that scale. Across 162 weeks, the average correlation between two of our 18 names is 0.085.

As a yardstick, we compared each name with Dick's Sporting Goods, a retailer that sells to fans rather than owning teams. The average is 0.067. A football club tracks another club barely more closely than it tracks a sporting-goods store.

Two sports shares barely move together: the average correlation is 0.085, close to the 0.067 with a retailer

Grouped: US franchises (top 4), European football (12), Asia-Pacific (2). The bright diagonal is each club with itself



Source: Three Horizons Capital data platform. Weekly USD returns, 162 weeks, 15 Sep 2023 to 23 Oct 2026. Factors: US large, small, developed ex-US, value, momentum, quality.

05 What links sports shares is the market, not the sport

A factor is a shared driver of returns that a portfolio can hold on purpose, such as the market, company size, value or momentum. To find a sports factor, we first removed the ones investors already know: the S&P 500, US small caps, developed markets outside the US, and value, momentum and quality styles.

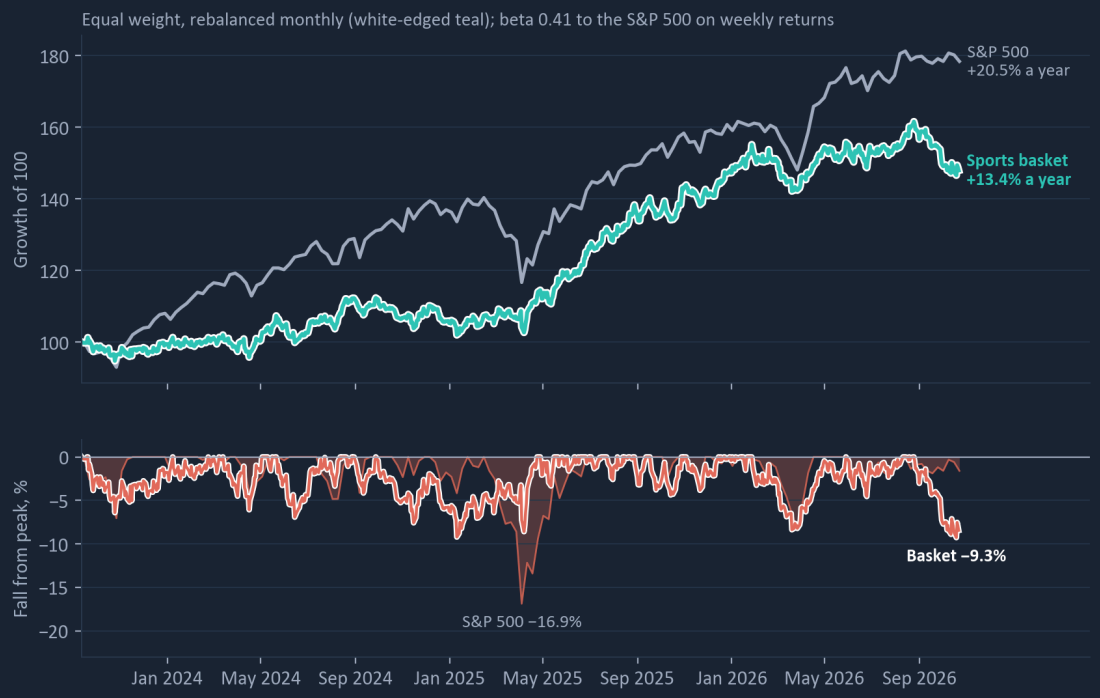
Those six explain 11.6% of a typical sports name's weekly moves. The rest is each club's own: the season, the balance sheet, the transfer window. After removing the six, the average correlation between two clubs falls from 0.085 to 0.035. What the 18 names hold in common is the wider equity market. The rest belongs to each club.

06 As a basket, sports has been a steady 13.4% with about half a market's swing

The same low correlation that splits the clubs apart makes the basket smooth. Every one of the 18 names is more volatile than the basket, from Ajax at 17.9% a year to FC Porto at 67.5%, yet the basket's volatility is 11.8%. The names cancel each other out.

Monthly rebalanced, the basket returned 13.4% a year with a worst fall of −9.3%, against 20.5% and −16.9% for the S&P 500. It moved about 0.4% for each 1% in the S&P 500 (correlation 0.49) and tracked developed markets outside the US a little more closely (0.59): linked to equities, at about half strength.

The basket returned 13.4% a year against 20.5% for the S&P 500, and its worst fall was 9.3% against 16.9%



Source: Three Horizons Capital data platform. Basket daily, 12 Sep 2023 to 22 Oct 2026; S&P 500 weekly total return, 15 Sep 2023 to 23 Oct 2026.

For a diversified book that is a useful profile, and it comes from construction, not from the sport: the smoothness is the product of 18 unrelated businesses, rebalanced.

07 What changes for a manager

The demand is real and so is the opportunity. The lesson is how to own it.

- **Test whether a theme is a factor before you build a product or a sleeve on it.** Run the correlation and the factor test first. A shared label is a marketing fact; a shared return driver is an investment one.
- **Select, don't buy the label.** In sports the return sits in the club, the league and the business model. A product built around the name needs a view on which names.
- **Expect the basket to behave like equity, at half strength.** Size it against the equity beta it brings, not as a separate asset class.
- **Measure what you own.** Correlation, market sensitivity and trading depth, name by name. Four of our 18 names trade thinly enough to distort a daily number.

08 What this does and does not show

This tests whether listed sports shares behave as one asset. It is not a forecast, and private sports funds hold different assets over longer horizons.

- **Thin trading.** Celtic's price was unchanged on 70% of days, Sporting CP's on 44%, FC Porto's on 40% and Brisbane Broncos' on 32%. With those four removed, the average correlation between two names is 0.104 and the basket's beta to the S&P 500 is 0.45. The finding holds.
- **Three years.** The window runs from September 2023 to October 2026, a single stretch of markets.
- **One currency.** Every return is in USD. A euro or sterling investor would see different numbers for the European clubs.
- **Our basket.** The 18 names are our definition: listed rightsholders, one share class per company, equal weight. A different rule gives a different basket.
- **Rebalancing.** The basket returned 15.7% a year rebalanced daily, 13.4% monthly and 11.9% bought and held. Low-correlation, volatile names reward rebalancing, and stale prices in thinly traded names add to the daily figure, so we quote the monthly 13.4%.

09 What we measured

- **Basket:** 18 listed clubs, franchises and competition owners across ten markets and six currencies, one share class per company, equal weight. We excluded names without a clean daily history over the window, including Manchester United and the Turkish clubs. Dick's Sporting Goods is a comparator, outside the basket.
- **Returns and risk:** daily prices adjusted for dividends and corporate actions, converted to USD at daily exchange rates, 12 September 2023 to 22 October 2026. Returns are annualised.
- **Correlation and factors:** weekly returns, 15 September 2023 to 23 October 2026 (162 weeks). Factors are the S&P 500, US small caps, developed markets outside the US, and US value, momentum and quality.
- **Private funds:** Form ADV filings, latest filing per fund, funds with “sport” or “sports” in the name. **ETF flows:** monthly net flows, 12 months to September 2026.
- Past performance is not indicative of future results. This paper is research, not investment advice, and is not a recommendation to buy or sell any security.

More research at threehorizonscapital.com/insights.