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BRIEFING

From Fifteen Percent to Twenty Percent:
MLB Expands Private Equity Ownership of Franchises

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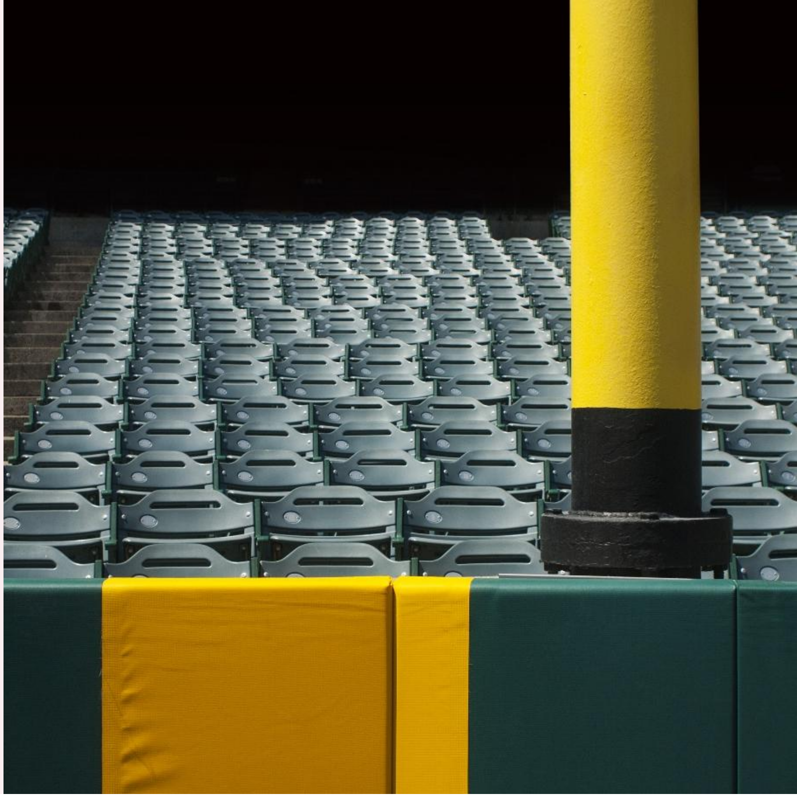

Over the past several years, the NBA, NFL, NHL, MLB, MLS and NWSL have each amended their respective ownership frameworks to accommodate private equity investment to varying degrees, as recently highlighted in our January 2026 briefing on the NBA's move to further loosen private equity ownership rules, and our June 2026 analysis on the growing opportunity for private capital in Major League Baseball. With US sports franchises routinely commanding multi-billion-dollar valuations, private equity sponsors have become important participants in this exclusive asset class.

MLB Owners Quietly Take Action

In recent months, MLB owners have reportedly approved an increase in private equity's permitted ownership stake in the league's franchises. A single PE sponsor may now own up to 20% of a team, an increase from the prior 15% cap, provided that such stake does not exceed that of the team's controlling owner. MLB requires controlling owners to hold at least 15% of the equity interests in their respective franchises, over which they maintain primary operational control. Accordingly, where a controlling owner holds less than a 20% equity interest, that ownership level operates as the effective cap on a PE sponsor's stake.

There has been no reported change to the aggregate cap on financial sponsors' collective ownership in any single team, which presumably remains at 30%.

Investing in the Home Team

The rule change follows PE's largest MLB venture yet: Apollo Global Management's US$2.6 billion investment in Yankee Global Enterprises (YGE), the holding company that owns the New York Yankees and holds interests in the YES Network, Legends Hospitality, New York City Football Club and AC Milan. Announced in August 2026, the deal valued the YGE ecosystem at over US$12 billion, a league record. Structured as a mix of credit and equity, the transaction comprises approximately US$800 million in initial equity for an approximately 8% interest, a further US$800 million in follow-on equity to be acquired over four years (ultimately bringing Apollo's stake to approximately 16%) and US$1 billion in credit financing, including capital available to refinance existing holding company debt.

When finalized, the New York-based firm will hold a 16% stake in YGE and a seat on its Board of Directors, with Apollo Sports Capital CEO Al Tylis joining the board. The Steinbrenner family, the team's longtime controlling owners, will retain an ownership interest of around 60%, with Hal Steinbrenner continuing as Managing General Partner and MLB's designated Control Person. Because the equity sits at the holding-company level, Apollo is obtaining exposure to an integrated collection of team, media, hospitality and international football assets, rather than a direct purchase of shares solely in the baseball club. Given the expanded limit on a PE sponsor's permitted ownership interest in a franchise, Apollo is unlikely to face any hurdles from the league regarding the unprecedented size of its stake.

Apollo's investment is therefore a landmark deal, not only because of the record franchise valuation and transaction size, but also because it marks a shift from simple minority share purchases toward hybrid capital solutions combining credit, primary equity, secondary liquidity and governance participation. Against the backdrop of loosening ownership restrictions and the scale of Apollo's commitment, private equity sponsors are unlikely to remain on the sidelines of baseball for much longer (or in the dugout, as it were).

Private Equity Ownership Rules Comparison – Major Professional Sports Leagues

	NFL[xxvi]	NBA	NHL	MLB	MLS	NWSL[xxvii]
PE investment permitted?[i]	Yes (subject to a minimum hold period of six years and league pre-approved list of permitted funds)[ii]	Yes (subject to a minimum hold period of five years)[xxxii]	Yes (subject to a minimum hold period of five years)[xxxiii]	Yes (subject to a minimum hold period of five years)[xxxv]	Yes (subject to a minimum hold period of five years)[xxxvi]	Yes (subject to a minimum hold period of five years)[xxxiv]
SWF investment permitted?	No (indirect investment through PE funds is allowed, limited to 7.5% of the PE fund)[iii]	Yes (has only been done indirectly through a holding company)[iv]	Yes (has only been done indirectly through a holding company)[v]	No[vi]	No	No
Can financial investors invest in the league itself?[vii]	No	No	No	No	Yes (investors hold their equity in the league and not a specific team, but must be affiliated with a team)	No
What is the cap on percentage ownership in a team by (i) a single financial investor and (ii) multiple financial investors?[viii]	(i) 10% (but no less than 3%) (ii) 10%[ix]	(i) 20% (though executives of a PE sponsor may invest in an individual capacity outside of this threshold)[xxix] (ii) 30%	(i) 20% (unless consent provided)[xi] (ii) 30%	(i) 20% (capped at controlling owner's stake, if lower)[xxviii] (ii) 30%	(i) 20% (ii) 30%	Minority (passive) ownership: (i) 20% (but no less than 5%) (ii) 30%
	Controlling owner must maintain a minimum 30% ownership stake	Player Investments: Players are permitted to invest up to 5% in a team through an NBA-approved fund[x]				Majority ownership: (i) Up to 100% (ii) Not permitted
How many teams in a league can a financial investor own?	Six[xii]	Eight[xiii] (unless a fund invests in a team alongside one of its own executives, in which case the fund forfeits its ability to hold stakes in any other team)[xxx]	Five[xiv]	No cap (investments subject to a five-year hold period)[xv]	Four[xvii]	Minority (passive) ownership: Three
						Majority ownership: One
Can a financial investor control a team's operations?[xviii]	No (prohibited from voting and governance rights)	No (although if a PE sponsor is investing in the team alongside one of its executives, it may be the case that such executive could be the Governor of the team (e.g., the developing situation between Josh Kushner and the Lakers))[xxxi]	No	No	No (cannot have a board seat or voting rights beyond those required by law)[xix] ROFO and Drag Rights: Controlling owners must have first negotiation rights if a financial investor chooses to sell and the right to compel a sale of the financial institution's interest in the event of a larger team sale[xx]	Yes (for majority ownership only)
Beneficial owner percentage ownership cap	No single investor in a fund can own greater than 7.5% of such fund[xxi]	Silent	Silent	Silent	No single investor in a fund can own greater than 25% of such fund[xxii]	Silent
Creditworthiness requirements for financial investors[xxiii]	Funds must have US$2 billion in committed capital No more than 20% of the fund can be invested in a single team[xxiv]	Private equity sponsor must have US$750 million in assets No more than 25% of a fund can be invested in a single team.	No specific requirements (reviewed on a case-by-case basis)	No specific requirements (reviewed on a case-by-case basis)	Private equity sponsor must have US$500 million in committed capital No more than 10% of the fund can be invested in a single team MLS teams cannot make up more than 25% of the fund[xxv]	Funds must have US$100 million in committed capital

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