Sports Companies Index (SCI)

Index Methodology & Public Guide
Version 1.4 — Public Release

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Prepared by Virsolus Ltd

1. Introduction

The Sports Companies Index (SCI) tracks the performance of publicly listed companies whose primary business activities involve the ownership, operation, management, or commercialisation of professional sports assets.

The index universe includes football clubs, multi-club ownership groups, sports rights holders, sports entertainment companies, and publicly traded entities whose revenues are closely linked to sport-related intellectual property, competition structures, media rights, or team ownership.

The SCI family consists of three transparent, rules-based indices:

- SCI-EW – Equal-Weighted Index
- SCI-CW – Capitalisation-Weighted Index
- SCI-FAW – Float-Adjusted Capitalisation-Weighted Index

Together, these indices provide a systematic framework for monitoring publicly listed sports ownership and sports-related operating companies worldwide.

2. Index Objectives

The SCI family seeks to provide:

- A transparent benchmark for measuring the performance of publicly listed sports companies.
- A research framework for analysing sport as an investable economic sector.
- A consistent dataset for academic research, valuation analysis, and industry benchmarking.
- A long-term record of the financial performance of sports ownership assets across global markets.

The SCI is designed as a research and analytical benchmark rather than an investable product.

3. Universe Definition

A company may be eligible for inclusion if its primary business model is substantially driven by one or more of the following activities:

- Ownership or operation of a professional sports team.
- Ownership of multiple sports organisations or sports assets.
- Commercial ownership of sports-related intellectual property.
- Ownership of sports leagues, competitions, or governing commercial rights.
- Revenues materially linked to sporting performance or sports media rights.

Examples include:

- Professional football clubs.
- Multi-club ownership groups.
- Sports entertainment businesses.
- Sports rights and intellectual property companies.

4. Exclusions

The following categories are generally excluded:

• Esports organisations.
• Apparel and footwear manufacturers.
• Sports betting and gambling operators.
• Sports technology providers without meaningful ownership exposure.
• Broad conglomerates where sport is not a material operating segment.
• Companies whose sports exposure is considered incidental to their core business activities.

5. Eligibility Criteria

To be eligible, a security must:

1. Be listed on a recognised public exchange.
2. Have reliable daily pricing information available.
3. Demonstrate sufficient trading activity.
4. Represent an equity ownership interest.
5. Meet SCI universe requirements at periodic review dates.

Virsolus retains discretion to review eligibility in exceptional circumstances.

6. Treatment of Multiple Share Classes

Where a company maintains multiple publicly listed share classes:

• Market capitalisation is aggregated across all relevant classes.
• A primary share class is selected for index price representation.
• Consolidated market capitalisation is used for weighting calculations.
• Float-adjusted calculations are based upon aggregate entity-level ownership where available.

This approach seeks to represent the economic size of the underlying entity rather than the characteristics of any individual share class.

7. Weighting Methodologies

SCI-EW (Equal Weight)

Each constituent receives an equal weight at quarterly rebalance dates.

SCI-CW (Capitalisation Weight)

Constituents are weighted according to full market capitalisation.

SCI-FAW (Float-Adjusted Weight)

Constituents are weighted according to free-float-adjusted market capitalisation where float information is available.

All weighting methodologies are rebalanced quarterly.

8. Rebalancing and Reviews

Formal reviews occur quarterly:

• March
• June
• September
• December

During reviews, Virsolus may:

• Add newly eligible companies.
• Remove ineligible companies.
• Update constituent classifications.
• Recalculate index weights.

Quarterly reviews seek to maintain consistency while minimising unnecessary turnover.

9. Corporate Actions

The SCI follows standard index-management principles for material corporate events.

Examples include:

• Mergers and acquisitions.
• Delistings.
• Share consolidations.
• Stock splits.
• Rights issues.
• Special dividends.

Where appropriate, adjustments are made to preserve index continuity.

Virsolus retains discretion in the treatment of unusual events.

10. Index Calculation

Base Date:
1 January 2021

Base Value:
1000

Index returns are calculated using daily closing-price data for constituent securities.

The SCI family currently consists of:

• SCI-EW
• SCI-CW
• SCI-FAW

Each index is calculated independently using its respective weighting methodology.

11. Data Sources

Primary Data Source

• Publicly available market data sources and company disclosures

Supplementary Sources

• Company filings.
• Exchange disclosures.
• Annual reports.
• Investor relations materials.
• Regulatory announcements.

Virsolus performs all index calculations, constituent screening, weighting calculations, and reporting processes internally.

The availability of a security within the SCI does not imply endorsement of any external data provider.

12. Data Quality and Validation

Virsolus applies a series of validation procedures before index publication, including:

• Missing-data identification.
• Price continuity checks.
• Gap detection and backfilling procedures.
• Constituent validation.
• Weighting verification.
• Calculation consistency checks.

Where errors are identified, historical series may be corrected and republished.

Virsolus reserves the right to revise historical index values when necessary to improve accuracy.

13. Governance

The SCI is governed by Virsolus Ltd.

Governance responsibilities include:

- Methodology oversight.
- Constituent eligibility reviews.
- Data validation.
- Error correction procedures.
- Periodic methodology assessment.

Methodology updates may be implemented where necessary to improve index quality, transparency, or relevance.

Material changes to methodology will be documented in future methodology releases.

14. Current Constituent Universe

The SCI currently includes publicly listed sports organisations such as:

- Manchester United
- Juventus FC
- SS Lazio
- Borussia Dortmund
- Celtic PLC
- SL Benfica
- FC Porto
- Sporting CP
- SC Braga
- Fenerbahçe
- Galatasaray
- Beşiktaş
- Brøndby IF
- Parken Sport & Entertainment
- Bali United
- Brisbane Broncos
- Formula One Group
- TKO Group Holdings
- Madison Square Garden Sports
- Liberty Braves Group

Constituents may change following periodic reviews.

15. Research Publications

Virsolus periodically publishes SCI research materials including:

- Quarterly Research Reports.
- Performance reviews.
- Industry research notes.
- Market commentary.
- Academic and professional analysis.

Publication frequency may change over time.

16. Access and Licensing

Virsolus may make selected SCI materials publicly available.

Additional datasets may be available for:

• Academic research.
• Industry analysis.
• Professional applications.
• Commercial licensing arrangements.

Availability is subject to Virsolus policies and licensing terms.

For further information: www.virsolus.com

17. Important Disclosures and Disclaimer

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