

Industries | Sports

F1's Rising US Appeal Draws Peer-Beating Morgan Stanley Fund

- Kristian Heugh's fund opened position in Liberty Media in 2024
- Sport has seen rising US viewership after a hit Netflix series

by [Henry Ren](#) and [Margaryta Kirakosian](#)
February 19, 2025

Formula One's rising popularity in the US has drawn an investment from a top-performing Morgan Stanley fund.

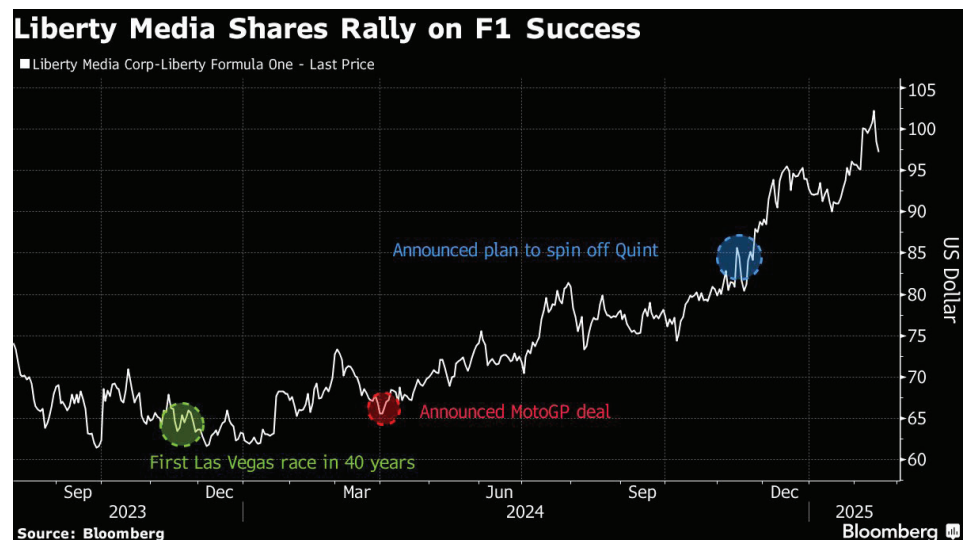
Kristian Heugh, manager of the \$14.6 billion Global Opportunity Fund, opened a position in F1 owner Liberty Media Corp. in the third quarter of last year. His 34-stock portfolio outran 92% of peers in 2024 with a 27% return, according to data compiled by Bloomberg.

The racing series, which held a glitzy launch event for the 2025 season in London on Tuesday evening, is probably "one of the most unique assets in the world," Heugh said in an interview. "It has a lot of growth in viewership, especially in the US, and it's far outpacing other marquee sports that may have seen viewership declines in some cases."

Long seen as a posh European motorsport, F1 has made inroads in the US in recent years, helped in-part by a hit Netflix series. Las Vegas hosted its first F1 grand prix in 40 years in 2023, drawing about 300,000 people. Three races are planned in the US this year, including one in Miami.

An average of 1.1 million viewers watched races on ESPN and ABC platforms last year, just short of the 2022 record but more than double the viewership from 2018, according to ESPN data.

Shares of Liberty Media were up about 2% in late New York trading on Wednesday, heading back toward this month's record high, which followed a 47% rally in 2024. The firm is planning to spin off Quint, which offers ticket and hospitality packages



to sports and entertainment events. It's also buying the motorcycle racing league MotoGP World Championship for \$3.8 billion, though the deal is facing an in-depth probe from the European Union.

Apart from a still under-monetized US market, the F1 brand holds other appeals to Heugh. With more than 80% of revenue locked in multiyear contracts, the business benefits from "tremendous visibility," he said. He also sees rising competition among streaming platforms boosting the value of sports rights.

One potential risk to F1 is automakers' increased focus on electric vehicles. Formula E, a decade-old electric racing series, features manufacturers including

Porsche, Jaguar and Nissan.

But the technology for electric racing performance over long distances isn't quite there yet, Heugh said. A new hybrid system next year and F1's pledge to reach net zero carbon by 2030 should also reassure sustainability focused fans, he said.

Another risk to the business would be a drop in fan engagement. Heugh, however, is counting on the sport to benefit from a young viewer base while gaining traction on social media.

"I was surprised that my children were into F1, and it wasn't something that I was into," he said. "So that was kind of a wakeup call for me."

— With assistance from Boris Korby