

Cash Holding Trends in Equity MFs as of March 2025

Cash Reserves Across AMCs: Who's Holding How Much?

- Equity Mutual Funds Play Safe with ₹2 Lakh Cr Cash Buffer:** Amid heightened global tensions and uncertainty, India's equity mutual funds held over ₹2 Lakh Crore in cash as of March—among the highest levels on record. Despite a rebound in the latter half of the month, fund managers remained cautious, curbing fresh equity investments in a volatile environment.
- Caution Creeps In: AMCs Raise Cash, Cut Equity Bets:** The average cash holding ratio among the top 20 AMCs rose to 5.59% in March, up from 5.43% in February, reflecting a cautious stance amid market volatility. This caution is evident in mutual fund's lowest monthly net equity investments of just ₹13,459 crore in March 2025 since January 2024, a sharp dip from previous months.
- Tariff Turmoil Triggers AMC Caution on Stocks Selection:** Trade uncertainties, driven by Trump's tariff policies, have dampened sentiment, especially in export-linked smallcap and midcap stocks. With these segments already witnessing sharp corrections this year, AMCs are opting to stay cautious and hold back on fresh investments.

Top 20 AMCs Holding the Largest Cash Piles			
Based on Equity-Oriented Mutual Fund Schemes			
Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
SBI MF	631,171	38,380	5.73
ICICI Pru MF	386,744	26,200	6.34
HDFC MF	346,408	22,474	6.09
Nippon India MF	319,852	7,972	2.43
UTI MF	232,165	3,277	1.39
Kotak MF	203,473	5,029	2.41
Axis MF	167,724	16,682	9.05
Mirae MF	142,534	1,950	1.35
Aditya Birla SL MF	138,092	3,965	2.79
DSP MF	97,151	6,365	6.15
Franklin Templeton MF	84,225	5,124	5.73
Canara Robeco MF	80,855	2,961	3.53
PPFAS MF	76,847	21,500	21.86
Tata MF	73,406	3,928	5.08
Quant MF	71,850	8,252	10.30
Motilal Oswal MF	71,036	12,368	14.83
HSBC MF	62,377	1,817	2.83
Bandhan MF	53,632	4,098	7.10
Invesco MF	52,687	2,085	3.81
Sundaram MF	39,874	2,700	6.34

Cash-Heavy MFs: PPFAS Flexes with 21.86%, SBI Stacks ₹38,000 Cr

- PPFAS MF** leads with the highest cash holding ratio of 21.86%, driven by its cautious flexi-cap strategy.
- Motilal Oswal MF** and **Quant MF** follow with 14.83% and 10.30%, respectively, as they pare equity bets amid volatile conditions.
- Large players like **SBI MF**, **HDFC MF**, and **ICICI Pru MF** lead in absolute cash holdings — SBI MF alone holds over ₹38,000 Cr in cash.

* Data Source:- ACE MF

* Average Cash Holding Ratio= Total Cash Reserve of Equity Schemes divided by Total AUM of Equity Schemes

Cash Reserves Across Equity MF Categories: A Deep Dive

- **Contra/Value Funds** and **Flexi Cap Funds** have the largest overall cash piles – ₹19,564 Cr and ₹45,115 Cr respectively. Midcap and Smallcap categories, still hold ₹24,016 Cr and ₹25,803 Cr in cash, hinting that fund managers are waiting for better entry points.

Equity MF Categories & Their Cash Pile: A Comparative View			
Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Contra/Value Fund	164,360	19,564	10.64
Flexi Cap Fund	390,976	45,115	10.35
Focused Fund	132,078	12,801	8.84
Small cap Fund	272,185	25,804	8.66
Dividend Yield	28,533	2,059	6.73
Mid Cap Fund	345,856	24,016	6.49
Large Cap Fund	339,799	20,609	5.72
Sector/Thematic Fund	433,741	26,200	5.70
ELSS Fund	224,738	11,244	4.76
Multi Cap Fund	167,734	8,091	4.60
Large & Mid Cap	253,536	10,143	3.85

Breaking Down Cash Reserves Across Equity MF Schemes

- **Motilal Oswal Midcap Fund** and **SBI Contra Fund** have cash holding ratios exceeding 24%, among the highest in active equity schemes. **Parag Parikh Flexi Cap Fund** and **SBI Small Cap Fund** maintain over 21% in cash.

Top 10 Equity MF Schemes with High Cash Stash				
Scheme Name	Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Parag Parikh Flexi Cap Fund	Flexi Cap Fund	72,893	20,548	21.99
SBI Contra Fund	Contra/ Value Fund	32,085	10,135	24.01
HDFC Flexi Cap Fund	Flexi Cap Fund	60,743	8,896	12.77
Motilal Oswal Midcap Fund	Mid Cap Fund	19,406	6,622	25.44
SBI Small Cap Fund	Small cap Fund	24,327	6,502	21.09
ICICI Pru Bluechip Fund	Large Cap Fund	59,226	5,736	8.83
ICICI Pru Value Discovery Fund	Contra/ Value Fund	43,867	5,265	10.72
HDFC Mid-Cap Opportunities Fund	Mid Cap Fund	67,529	5,081	7.00
SBI Focused Equity Fund	Focused Fund	30,377	4,876	13.83
Axis Bluechip Fund	Large Cap Fund	28,093	4,256	13.16

* Data Source:- ACE MF, Data updated till 31st March 2025