

## Cash Holding Trends in Equity MFs as of May 2025

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

- Equity Mutual Funds Turn Buoyant in May Amid High Cash Reserves:** India's equity mutual funds adopted a more optimistic stance in May 2025, **ramping up market purchases** despite a decline in net inflows. However, overall cash holdings remained elevated at **₹2.17 Lakh Crore**—only slightly lower than ₹2.3 Lakh Crore in April—indicating continued caution and selective deployment.
- Top AMCs Cash Holding Ratio Falls to 5.75%:** The average cash holding ratio among the top 20 AMCs **declined to 5.75% in May**, down from **6.53% in April**, reflecting a measured increase in equity allocations.
- Mutual Funds Step Up Market Buying Despite Slowing Inflows:** Mutual funds purchased equities worth ₹56,302 crore in May 2025, reflecting a strong buying appetite. However, inflows into equity mutual fund schemes dropped to ₹19,013 crore—the lowest in several months—marking the fourth consecutive month of decline. This divergence highlights that AMCs are deploying existing cash reserves despite subdued investor inflows.

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	680,559	34,747	4.86
ICICI Pru MF	425,359	26,752	5.92
HDFC MF	374,770	27,133	6.75
Nippon India MF	356,014	8,058	2.21
UTI MF	249,474	3,809	1.50
Kotak MF	220,261	7,895	3.46
Axis MF	182,623	13,045	6.67
Mirae MF	153,441	1,757	1.13
Aditya Birla SL MF	146,831	4,568	3.02
DSP MF	104,663	8,219	7.28
Franklin Templeton MF	90,467	6,108	6.32
Canara Robeco MF	86,949	3,977	4.37
PPFAS MF	85,564	23,598	21.62
Motilal Oswal MF	83,973	13,168	13.56
Tata MF	79,047	4,600	5.50
Quant MF	78,192	9,028	10.35
HSBC MF	68,635	1,759	2.50
Bandhan MF	59,491	4,546	7.10
Invesco MF	58,925	1,917	3.15
Sundaram MF	42,653	3,038	6.65

### Cash-Heavy Mutual Funds: PPFAS Tops with 21.62%, SBI Holds ₹34,747 Cr

- PPFAS MF** leads the pack with the highest cash holding ratio at **21.62%**, reflecting its conservative and flexible investment approach..
- Motilal Oswal MF** and **Quant MF** follow with **13.56%** and **10.35%** of AUM in cash, respectively, highlighting strong liquidity positioning.
- SBI MF** holds the largest pile at **₹34,747 Cr**, followed by **HDFC MF ₹27,133 Cr** and **ICICI Pru MF ₹26,752 Cr**, showing significant dry powder among large AMCs.

\* Data Source:- ACE MF

\* Average of Cash Holding Ratio= Average of cash holdings ratio of the AMCs

## Cash Reserves Across Equity MF Categories: A Deep Dive

**Contra Funds** top the chart with **16.08% of AUM** in cash, indicating a highly cautious or opportunistic approach amid market uncertainty, **Flexi Cap Funds** follow with a substantial **10.26%**, indicating a deliberate strategy focused on liquidity and tactical allocation flexibility. **Focused Funds**, with **8.76%** in cash, appear to support their concentrated stock-picking approach with a healthy liquidity buffer. **Small and Mid Cap Funds** also show prudence, holding **7.98%** and **7.15%** respectively, likely to weather short-term volatility or await better entry points.

Equity MF Categories & Their Cash Pile: A Comparative View			
Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Contra	57,214	10,963	16.08%
Flexi Cap	423,776	48,476	10.26%
Focused	142,287	13,656	8.76%
Small Cap	309,218	26,833	7.98%
Mid Cap	379,064	29,193	7.15%
Dividend Yield	29,945	2,235	6.95%
Value	120,867	7,313	5.70%
Sector/Thematic	469,986	27,756	5.58%
Large Cap	365,176	18,949	4.93%
ELSS	233,968	12,032	4.89%
Multi Cap	187,764	7,462	3.82%
Large & Mid Cap	276,785	10,841	3.77%

## Breaking Down Cash Reserves Across Equity MF Schemes

**Motilal Oswal Flexi Cap Fund** holds the highest cash ratio among equity schemes at **28.35%**, reflecting a strong liquidity stance amid prevailing market uncertainties. Close behind, **Motilal Oswal Midcap Fund** and **Parag Parikh Flexi Cap Fund** maintain elevated cash levels of **25.19%** and **21.82%**, respectively, positioning themselves among the most liquidity-heavy active equity strategies. **SBI Contra Fund** also stands out with a notable **22.07%** in cash, while **SBI Small Cap Fund** holds **18.25%**, both indicating a cautious and flexible approach in response to potential market volatility.

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	81,205	22,663	21.82
HDFC Flexi Cap Fund	Flexi Cap Fund	65,679	10,105	13.33
SBI Contra Fund	Contra	35,453	10,043	22.07
Motilal Oswal Midcap Fund	Mid Cap Fund	22,743	7,659	25.19
HDFC Mid-Cap Opportunities Fund	Mid Cap Fund	73,110	6,607	8.29
SBI Small Cap Fund	Small cap Fund	27,818	6,210	18.25
ICICI Pru Bluechip Fund	Large Cap Fund	63,611	6,152	8.82
SBI Focused Equity Fund	Focused Fund	32,162	4,960	13.36
ICICI Pru Value Discovery Fund	Value Fund	48,404	4,194	7.97
Motilal Oswal Flexi Cap Fund	Flexi Cap Fund	9,332	3,692	28.35

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