

Cash Holding Trends in Equity MFs as of August 2025

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

- Record Buying - Equity MFs Deploy Cash Aggressively:** Equity mutual funds pared down their cash reserves to ₹1.98 Lakh Cr in August 2025 from ₹2.07 Lakh Cr in July, marking a clear shift towards active deployment. The cutback coincided with the calendar year's highest monthly equity purchases of ₹64,889 Cr, underscoring fund managers' conviction to seize opportunities created by sharp FPI selling. The move highlights a strategy of utilizing existing liquidity to strengthen market positioning.
- AMC Cash Ratio Dips After July Uptick:** The average cash holding ratio among the top 20 AMCs slipped to 4.82% in August, after rising to 5.94% in July and continues to stay well below the 5% mark.
- Inflows Cool Off in August:** Equity-oriented mutual fund inflows moderated, falling 22% month-on-month to ₹33,430 Cr from July's record ₹42,708 Cr. Meanwhile, SIP inflows saw a marginal dip, easing to ₹28,265 Cr in August from ₹28,464 Cr in July.

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	689,212	31,416	4.36
ICICI Pru MF	443,724	25,808	5.50
HDFC MF	393,891	26,494	6.30
Nippon India MF	368,520	8,683	2.30
UTI MF	252,129	3,377	1.32
Kotak MF	228,667	7,769	3.29
Axis MF	186,559	11,207	5.67
Mirae MF	156,446	1,323	0.84
Aditya Birla SL MF	145,808	4,562	3.03
DSP MF	107,836	6,125	5.37
Motilal Oswal MF	103,899	2,401	2.26
PPFAS MF	93,639	26,926	22.33
Franklin Templeton MF	92,483	4,575	4.71
Canara Robeco MF	89,793	2,779	3.00
Tata MF	80,433	4,560	5.36
Quant MF	75,251	9,035	10.72
HSBC MF	69,457	1,478	2.08
Bandhan MF	64,297	4,734	6.86
Invesco MF	63,124	2,535	3.86
Sundaram MF	44,247	2,472	5.29

Cash-Heavy Mutual Funds: PPFAS Leads with 22.33%, SBI Holds ₹31,416 Cr

- PPFAS MF continues to maintain the highest cash-to-AUM ratio at 22.33% (₹26,926 Cr), highlighting its highly cautious stance. Quant MF follows with a sizable 10.72% (₹9,035 Cr), while HDFC MF holds 6.30% (₹26,494 Cr), staying well above the industry average in liquidity.
- SBI Mutual Fund remains the largest in absolute cash holdings at ₹31,416 Cr (4.36% of AUM), trailed by ICICI Prudential MF with ₹25,808 Cr (5.50%). Axis MF also shows a defensive tilt with 5.67% (₹11,207 Cr) parked in cash.
- Bandhan MF (6.86%), DSP MF (5.37%), Tata MF (5.36%) and Sundaram MF (5.29%) maintain robust cash buffers, positioning themselves to quickly deploy capital in case of market corrections or new opportunities.

* 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 & Flexi Cap Funds Lead the Cash Pile:** Contra Funds continue to hold the largest liquidity cushion with **16.38% of AUM in cash (₹11,486 Cr)**, reflecting a highly defensive stance. Flexi Cap Funds follow with **9.70% (₹48,106 Cr)**, indicating fund managers’ preference to keep ample dry powder to deploy during market volatility.
- ❖ **Small Cap & Focused Funds Maintain Strong Buffers:** Small Cap Funds have **7.83% of AUM in cash (₹27,463 Cr)**, while Focused Funds hold **6.78% (₹10,851 Cr)**, showcasing a strategy to stay nimble and balance volatility risk with the ability to invest quickly when attractive opportunities emerge.

Equity MF Categories & Their Cash Pile: A Comparative View			
Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Contra Fund	58,646	11,486	16.38%
Flexi Cap Fund	447,861	48,106	9.70%
Small cap Fund	323,164	27,463	7.83%
Dividend Yield	29,709	2,279	7.13%
Focused Fund	149,159	10,851	6.78%
Value Fund	123,133	7,162	5.50%
Sector/Thematic Fund	486,323	26,590	5.18%
Mid Cap Fund	406,682	20,248	4.74%
Multi Cap Fund	196,251	8,974	4.37%
Large Cap Fund	374,342	16,247	4.16%
ELSS Fund	234,373	7,915	3.27%
Large & Mid Cap	290,350	9,366	3.13%

Breaking Down Cash Reserves Across Equity MF Schemes

- ❖ **Parag Parikh & SBI Contra Lead in Cash Proportion:** Parag Parikh Flexi Cap Fund continues to top the list with **22.71% of AUM in cash (₹26,129 Cr)**, followed closely by SBI Contra Fund at **21.57% (₹10,064 Cr)**, underscoring a strong liquidity stance. **HDFC Flexi Cap Fund** holds **11.38% (₹9,327 Cr)**, signalling ample readiness to deploy funds when valuations turn attractive.
- ❖ **Small & Mid Cap Funds Maintain Large Cash Buffers:** SBI Small Cap Fund holds **16.29% of AUM in cash (₹5,743 Cr)**, while Axis Midcap Fund maintains **10.76% (₹3,341 Cr)**. **HDFC Small Cap Fund** also keeps **10.36% (₹3,759 Cr)** in cash, reflecting a prudent approach to manage volatility and take advantage of buying opportunities.

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	88,911	26,129	22.71%
SBI Contra Fund	Contra Fund	36,590	10,064	21.57%
HDFC Flexi Cap Fund	Flexi Cap Fund	72,609	9,327	11.38%
ICICI Pru Large Cap Fund	Large Cap Fund	64,701	7,139	9.94%
HDFC Mid Cap Fund	Mid Cap Fund	77,307	5,798	6.98%
SBI Small Cap Fund	Small cap Fund	29,502	5,743	16.29%
ICICI Pru Value Fund	Value Fund	49,694	4,057	7.55%
HDFC Small Cap Fund	Small cap Fund	32,535	3,759	10.36%
Axis Midcap Fund	Mid Cap Fund	27,715	3,341	10.76%
Nippon India Small Cap Fund	Small cap Fund	61,606	3,215	4.96%

* Data Source:- ACE MF, Data updated as on 31st August 2025