

Cash Holding Trends in Equity MFs as of December 2025

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

- Mutual Funds Step Up Equity Buying; Cash Buffer Holds, Ratio Dips:** Mutual funds stayed net buyers of equities in December, ramping up deployment to ₹38,939 Cr, including IPO allocations. Supported by steady inflows and record SIPs, cash holdings edged up to ₹2.08 lakh Cr from ₹2.02 lakh Cr in November—however, with Equity AUM rising, the cash-to-Equity AUM ratio declined, reflecting higher equity deployment.
- AMC Cash Levels Decline Further in December:** The average cash holding ratio across the top 20 Asset Management Companies eased to 3.83% in December, down from 4.06% in November, as rising equity AUM and sustained market deployment continued to absorb surplus cash. The further moderation keeps industry cash levels comfortably below the 5% mark, underscoring continued risk-on sentiment, strong investor confidence and fund managers' preference to remain largely invested amid stable and resilient market conditions.
- Equity MF Inflows Dip Slightly; SIPs at Record High:** Equity mutual funds saw slightly softer net inflows in December, slipping month-on-month to ₹28,054 Cr from ₹29,911 Cr in November. SIP contributions hit a record ₹31,002 Cr, signalling strong retail participation.

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	747,006	31,303	4.02
ICICI Pru MF	499,488	23,448	4.48
HDFC MF	432,685	31,503	6.79
Nippon India MF	407,067	6,361	1.54
UTI MF	274,209	2,804	1.01
Kotak MF	251,749	5,488	2.13
Axis MF	191,914	10,018	4.96
Mirae MF	168,845	2,219	1.30
Aditya Birla SL MF	154,718	4,069	2.56
DSP MF	117,692	4,701	3.84
PPFAS MF	109,819	29,405	21.12
Motilal Oswal MF	105,655	12,018	10.21
Franklin Templeton MF	97,548	4,253	4.18
Canara Robeco MF	94,397	2,543	2.62
Tata MF	84,900	4,701	5.25
Bandhan MF	75,976	4,213	5.25
Quant MF	74,105	10,690	12.61
HSBC MF	73,111	1,190	1.60
Invesco MF	72,361	2,952	3.92
Sundaram MF	47,374	1,790	3.64

Cash-Heavy Mutual Funds: PPFAS Leads with 21.12%

- PPFAS Mutual Fund** continues to hold the highest cash-to-AUM ratio among equity-oriented schemes at 21.12% (₹29,405 Cr), underscoring a notably defensive stance and ample dry powder for selective deployment amid market volatility. **Quant MF** also maintains an elevated cash position at 12.61% (₹10,690 Cr), followed by **Motilal Oswal MF** with 10.21% (₹12,018 Cr), reflecting a cautious yet opportunistic investment approach.
- HDFC Mutual Fund** leads with the largest cash pile at ₹31,503 Cr (6.79%), followed by **SBI MF** at ₹31,303 Cr (4.02%) and **ICICI Prudential MF** holding ₹23,448 Cr (4.48%), highlighting strong liquidity cushions among India's largest AMCs.
- Tata MF** and **Bandhan MF**, both with 5.25% cash, hold relatively higher cash allocations, suggesting preparedness to navigate market uncertainties while retaining flexibility to capitalise on emerging opportunities.

* Data Source: ACE MF. Data updated as on 31st December 2025

* 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 Dominate Cash Holdings:** **Contra Funds** lead the liquidity spectrum with the highest cash-to-AUM ratio of **13.48%** (₹10,214 Cr), reflecting a distinctly cautious yet opportunistic positioning. **Flexi Cap Funds** follow with a sizable **11.02%** cash holding (₹60,923 Cr), underlining their flexibility to dynamically allocate across market segments as valuations and opportunities evolve.
- ❖ **Focused and Small Cap Funds Retain Higher Buffers:** **Focused Funds** hold **7.93%** in cash (₹13,871 Cr), supporting their concentrated investment approach, while **Small Cap Funds** maintain **5.97%** (₹22,055 Cr), signalling prudence amid higher volatility in the broader small-cap space.

Equity MF Categories & Their Cash Pile: A Comparative View

Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Contra Fund	65,548	10,214	13.48%
Flexi Cap Fund	491,880	60,923	11.02%
Focused Fund	161,092	13,871	7.93%
Dividend Yield Fund	30,891	1,984	6.04%
Small Cap Fund	347,097	22,055	5.97%
Mid Cap Fund	436,557	25,021	5.42%
Value Fund	136,644	6,792	4.74%
Sector/Thematic Fund	514,234	23,695	4.40%
Large Cap Fund	402,976	16,438	3.92%
Large & Mid Cap Fund	320,307	11,349	3.42%
ELSS Fund	244,399	8,154	3.23%
Multi Cap Fund	216,164	7,025	3.15%

Breaking Down Cash Reserves Across Equity MF Schemes

- ❖ **Flexi Cap & Contra Funds Lead in Cash Intensity:** **Motilal Oswal Flexi Cap Fund** tops the chart with the highest cash-to-AUM ratio at **28.61%** (₹3,965 Cr), highlighting a highly defensive and opportunity-ready stance. **Parag Parikh Flexi Cap Fund** follows with a substantial **21.49%** cash holding (₹28,649 Cr), reinforcing its conservative positioning and flexibility for future deployment. **SBI Contra Fund** also maintains elevated liquidity at **18.04%** (₹9,013 Cr), reflecting a cautious yet opportunistic investment approach.
- ❖ **Focused, Mid & Small Cap Schemes Retain Higher Buffers:** **HDFC Focused Fund (15.31%)** and **SBI Focused Fund (12.51%)** continue to hold meaningful cash cushions to support concentrated portfolios. In the mid-cap space, **Motilal Oswal Midcap Fund** stands out with **16.40%** (₹6,050 Cr), while **SBI Small Cap Fund** holds **10.41% cash** (₹3,774 Cr) signalling prudent positioning amid ongoing volatility in smaller-cap stocks.

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	104,660	28,649	21.49%
HDFC Flexi Cap Fund	Flexi Cap Fund	81,325	14,970	15.55%
SBI Contra Fund	Contra Fund	40,954	9,013	18.04%
ICICI Pru Large Cap Fund	Large Cap Fund	71,748	6,754	8.60%
HDFC Mid Cap Fund	Mid Cap Fund	86,069	6,573	7.09%
Motilal Oswal Midcap Fund	Mid Cap Fund	30,830	6,050	16.40%
SBI Focused Fund	Focused Fund	37,772	5,401	12.51%
HDFC Focused Fund	Focused Fund	22,474	4,064	15.31%
Motilal Oswal Flexi Cap Fund	Flexi Cap Fund	9,897	3,965	28.61%
SBI Small Cap Fund	Small Cap Fund	32,494	3,774	10.41%

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