

## Cash Holding Trends in Equity MFs as of January 2026

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

- Mutual Funds Step Up Equity Buying; Cash Buffer Holds, Ratio Dips:** Mutual funds remained strong net buyers of equities in January, stepping up deployment to ₹42,355 Cr as market corrections created fresh buying opportunities. **Cash holdings** stayed largely stable but edged down to ₹2.06 lakh Cr from ₹2.08 lakh Cr in December, indicating active deployment. As a result, the **cash-to-equity AUM ratio** declined—signalling higher equity participation, supported by record **SIP contributions**.
- AMC Cash Levels Inch Lower; Industry Stays Firmly Invested:** The average cash holding ratio across the top 20 AMCs eased to 3.78% in January, marginally lower than 3.83% in December, driven by **higher equity deployment**. With cash buffers still comfortably below the 5% mark, the trend reflects a **risk-on** stance, strong investor confidence and fund managers' preference to remain **largely invested** amid **choppy but resilient market conditions**.
- Equity MF Inflows Ease; SIPs Stay at Record High:** Net equity MF inflows moderated to ₹24,029 Cr in January (vs ₹28,054 Cr in December), indicating mild MoM cooling. However, **SIP contributions** stayed strong at a record ₹31,002 Cr, underlining sustained **retail participation** and sticky long-term flows.

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	730,218	29,690	3.91
ICICI Pru MF	494,920	21,507	4.16
HDFC MF	427,288	31,510	6.87
Nippon India MF	399,098	6,131	1.51
UTI MF	266,387	3,205	1.19
Kotak MF	248,055	4,816	1.90
Axis MF	180,274	14,770	7.57
Mirae MF	164,044	1,776	1.07
Aditya Birla SL MF	150,855	3,970	2.56
DSP MF	115,198	4,737	3.95
PPFAS MF	111,964	27,773	19.88
Motilal Oswal MF	103,520	9,722	8.59
Franklin Templeton MF	94,824	3,998	4.05
Canara Robeco MF	91,291	2,695	2.87
Tata MF	81,689	4,811	5.56
Bandhan MF	74,791	4,408	5.57
Invesco MF	70,800	2,214	3.03
HSBC MF	70,116	1,882	2.61
Quant MF	65,223	13,126	16.75
Sundaram MF	45,783	1,737	3.65

\* Data Source: ACE MF. Data updated as on 31st January 2026

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

### Cash-Heavy Mutual Funds: PPFAS Leads with 19.88%

- PPFAS Mutual Fund** holds the highest cash-to-AUM ratio at 19.88% (₹27,773 Cr), reflecting a distinctly defensive stance with significant deployment flexibility. **Quant MF** follows with an elevated 16.75% (₹13,126 Cr), while **Motilal Oswal MF** (8.59%) and **Axis MF** (7.57%) also maintain relatively higher cash allocations, signalling a cautious yet opportunistic approach.
- HDFC Mutual Fund** is sitting on the largest cash reserve at ₹31,510 Cr (6.87%), followed by **SBI Mutual Fund** with ₹29,690 Cr (3.91%) and **ICICI Prudential Mutual Fund** at ₹21,507 Cr (4.16%)—signalling **healthy liquidity cushions** among India's biggest fund houses for tactical deployment and smoother redemptions.
- Bandhan MF** (5.57%) and **Tata MF** (5.56%) continue to hold moderately higher cash levels, indicating readiness to manage volatility while retaining flexibility to capitalise on evolving market opportunities.

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

- ❖ **Contra & Flexi Cap Funds Dominate Cash Holdings:** Contra Funds sit at the top of the liquidity stack with a **12.82% cash-to-AUM buffer (₹9,455 Cr)**, signalling a cautious yet opportunity-ready stance. Flexi Cap Funds follow with a meaningful **11.09% cash holding (₹60,735 Cr)**, reinforcing their ability to swiftly rotate across market segments as valuations and earnings visibility shift.
- ❖ **Focused and Small Cap Funds Retain Higher Buffers:** Focused Funds hold **8.14% in cash (₹13,991 Cr)**, supporting their concentrated portfolio construction, while Small Cap Funds maintain **6.04% (₹21,439 Cr)**—a prudent cushion given higher volatility and liquidity sensitivity in the broader small-cap universe.

### Equity MF Categories & Their Cash Pile: A Comparative View

Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Contra Fund	64,307	9,455	12.82%
Flexi Cap Fund	486,898	60,735	11.09%
Focused Fund	157,874	13,991	8.14%
Dividend Yield Fund	30,117	2,337	7.20%
Small Cap Fund	333,435	21,439	6.04%
Mid Cap Fund	427,392	22,366	4.97%
Value Fund	133,852	6,648	4.73%
Sector/Thematic Fund	499,308	24,287	4.64%
Large Cap Fund	391,868	17,441	4.26%
Multi Cap Fund	208,008	8,555	3.95%
Large & Mid Cap Fund	314,089	10,913	3.36%
ELSS Fund	237,181	6,915	2.83%

### Breaking Down Cash Reserves Across Equity MF Schemes

- ❖ **Flexi Cap Funds Lead in Cash Intensity:** Motilal Oswal Flexi Cap Fund tops the list with the highest cash-to-AUM at **25.54% (₹3,366 Cr)**, signalling a strongly defensive yet opportunity-ready stance. Parag Parikh Flexi Cap Fund follows with a sizeable **20.17% cash holding (₹27,023 Cr)**, while HDFC Flexi Cap Fund also stays elevated at **17.88% (₹17,422 Cr)**—highlighting meaningful dry powder for future deployment.
- ❖ **Contra, Focused, Mid & Small Cap Schemes Retain Strong Buffers:** SBI Contra Fund maintains high liquidity at **17.26% (₹8,409 Cr)**, reflecting a cautious yet opportunistic investment approach, while SBI Focused Fund holds **16.11% (₹6,927 Cr)** to support a concentrated portfolio strategy. In mid-caps, Motilal Oswal Midcap Fund stands out with **13.43% (₹4,623 Cr)** and Axis Midcap Fund with **12.77% (₹3,947 Cr)**, and SBI Small Cap Fund keeps **9.57% cash (₹3,297 Cr)**—a prudent cushion amid higher 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	106,946	27,023	20.17%
HDFC Flexi Cap Fund	Flexi Cap Fund	80,030	17,422	17.88%
SBI Contra Fund	Contra	40,320	8,409	17.26%
SBI Focused Fund	Focused Fund	36,071	6,927	16.11%
ICICI Pru Large Cap Fund	Large Cap Fund	70,519	6,126	7.99%
HDFC Mid Cap Fund	Mid Cap Fund	86,698	5,489	5.95%
Motilal Oswal Midcap Fund	Mid Cap Fund	29,809	4,623	13.43%
Axis Midcap Fund	Mid Cap Fund	26,949	3,947	12.77%
Motilal Oswal Flexi Cap Fund	Flexi Cap Fund	9,814	3,366	25.54%
SBI Small Cap Fund	Small cap Fund	31,152	3,297	9.57%

\* Data Source:- ACE MF, Data updated as on 31st January 2026