

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

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

- **Mutual Funds' Equity Buying Slips to Three-Year Low; Cash Holdings Edge Up:** Mutual funds remained net buyers in equities in February, with investments of ₹11,422 Cr, reflecting cautious deployment. Notably, this was the lowest equity buying in nearly three years, and the weakest since July 2023. Meanwhile, cash holdings rose slightly to ₹2.10 lakh Cr from ₹2.06 lakh Cr in January, indicating a steady liquidity buffer. As a result, the cash-to-equity AUM ratio increased, signalling slower equity deployment despite steady inflows.
- **AMC Cash Levels Edge Up; Liquidity Buffers Stay Healthy:** The average cash holding ratio across the top 20 AMCs rose marginally to 5.39% in February from 5.36% in January, reflecting a modest build-up in liquidity buffers amid evolving market conditions. The ratio remained above the 5% mark, suggesting that fund managers stayed cautious and retained some cash flexibility to navigate volatility and deploy capital as opportunities emerge.
- **Equity MF Inflows Rebound; SIP Flows Dip Slightly:** Equity-oriented mutual fund inflows rose 8% MoM to ₹25,978 Cr in February 2026, marking a recovery after two months of decline. Meanwhile, SIP inflows eased to ₹29,845 Cr, mainly due to fewer working days, though overall flows remained healthy.

#### 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	732,543	34,704	4.52
ICICI Pru MF	498,627	23,815	4.56
HDFC MF	443,697	23,579	5.05
Nippon India MF	411,353	5,933	1.42
UTI MF	267,103	3,090	1.14
Kotak MF	255,143	5,652	2.17
Axis MF	182,584	15,297	7.73
Mirae MF	165,865	1,939	1.16
Aditya Birla SL MF	151,350	3,776	2.43
DSP MF	117,211	5,692	4.63
PPFAS MF	110,638	29,741	21.19
Motilal Oswal MF	106,343	6,722	5.95
Franklin Templeton MF	94,505	4,449	4.50
Canara Robeco MF	91,940	2,776	2.93
Tata MF	80,063	4,869	5.73
Bandhan MF	76,519	5,087	6.23
Invesco MF	72,721	2,487	3.31
HSBC MF	70,948	2,269	3.10
Quant MF	66,167	13,006	16.43
Sundaram MF	46,168	1,782	3.72

#### Cash-Heavy AMCs: PPFAS Leads with 21.19%

- **PPFAS Mutual Fund** holds the highest cash-to-AUM ratio at 21.19% (₹29,741 Cr), reflecting a distinctly defensive stance with ample flexibility for future deployment. **Quant MF** follows with a high 16.43% (₹13,006 Cr), while **Axis MF** (7.73%) and **Bandhan MF** (6.23%) also maintain relatively elevated cash allocations, indicating a cautious yet opportunity-driven investment approach.
- **SBI Mutual Fund** holds the largest cash reserve at ₹34,704 Cr (4.52%), followed by **ICICI Pru Mutual Fund** with ₹23,815 Cr (4.56%) and **HDFC Mutual Fund** with ₹23,579 Cr (5.05%), highlighting strong liquidity buffers among India's largest fund houses.
- **Motilal Oswal MF** (5.95%) and **Tata MF** (5.73%) continue to maintain moderately higher cash levels, signalling preparedness to navigate market volatility while retaining flexibility to capitalise on emerging investment opportunities.

\*Source: ACE MF; data as of 28 February 2026.

\*Average of Cash Holding Ratio= simple average of the cash-to-AUM ratios of the AMCs

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

- ❖ **Contra & Flexi Cap Funds Continue to Lead Cash Holdings:** Contra Funds remain the most cash-heavy category with a 12.53% cash-to-AUM ratio (₹9,305 Cr), reflecting a cautious yet opportunity-driven positioning. Flexi Cap Funds follow with 9.91% in cash (₹54,907 Cr), highlighting their flexibility to dynamically allocate across market caps as valuations and market conditions evolve.
- ❖ **Focused & Small Cap Funds Maintain Higher Liquidity Buffers:** Focused Funds hold 8.86% cash (₹15,321 Cr) to support their concentrated portfolio strategy, while Small Cap Funds maintain 6.64% (₹24,150 Cr) in cash, signalling prudence amid the higher volatility typically associated with smaller companies.

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

Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Contra Fund	64,979	9,305	12.53%
Flexi Cap Fund	499,093	54,907	9.91%
Focused Fund	157,638	15,321	8.86%
Dividend Yield Fund	30,395	2,250	6.89%
Small Cap Fund	339,430	24,150	6.64%
Value Fund	132,733	8,295	5.88%
Sector/Thematic Fund	503,082	26,832	5.06%
Mid Cap Fund	442,293	21,502	4.64%
Large Cap Fund	394,861	17,721	4.30%
Multi Cap Fund	213,009	8,679	3.91%
Large & Mid Cap Fund	319,473	12,794	3.85%
ELSS Fund	237,935	7,205	2.94%

## Breaking Down Cash Reserves Across Equity MF Schemes

- ❖ **Flexi Cap Funds Lead in Cash Intensity:** Parag Parikh Flexi Cap Fund holds the highest cash-to-AUM ratio at 21.64% (₹29,047 Cr), signalling a defensive yet opportunity-ready stance. HDFC Flexi Cap Fund follows with 9.60% (₹9,642 Cr) in cash, highlighting meaningful liquidity for tactical deployment as market conditions evolve.
- ❖ **Contra, Focused & Small Cap Schemes Maintain Strong Buffers:** SBI Contra Fund retains elevated liquidity at 16.63% (₹8,168 Cr), reflecting a cautious yet opportunistic investment approach. Among focused strategies, SBI Focused Fund holds 16.82% (₹7,285 Cr) in cash to support its concentrated portfolio positioning. SBI Small Cap Fund keeps 13.99% (₹4,886 Cr) and HDFC Small Cap Fund holds 8.07% (₹3,020 Cr), reflecting prudent liquidity buffers to manage higher volatility in smaller companies.

### 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	105,206	29,047	21.64%
HDFC Flexi Cap Fund	Flexi Cap Fund	90,814	9,642	9.60%
SBI Contra Fund	Contra Fund	40,943	8,168	16.63%
SBI Focused Fund	Focused Fund	36,026	7,285	16.82%
ICICI Pru Large Cap Fund	Large Cap Fund	71,381	6,071	7.84%
HDFC Mid Cap Fund	Mid Cap Fund	88,816	5,440	5.77%
SBI Small Cap Fund	Small Cap Fund	30,046	4,886	13.99%
ICICI Pru Value Fund	Value Fund	56,769	3,803	6.28%
Axis Midcap Fund	Mid Cap Fund	28,278	3,700	11.57%
HDFC Small Cap Fund	Small Cap Fund	34,404	3,020	8.07%

\* Source: ACE MF; data as of 28 February 2026.