

Cash Holding Trends in Equity MFs as of May 2026

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

- Equity Buying Accelerates in May:** Mutual funds stepped up equity deployment in May 2026, with net equity purchases of ₹63,087 crore, providing strong domestic support despite continued FPI selling. Overall equity-oriented MF cash holdings declined to ₹1.88 lakh crore from ₹1.98 lakh crore in April, suggesting that fund managers used the mild market correction to deploy cash and add equities even as equity MF inflows hit a one-year low.
- AMC Cash Levels Ease, but Caution Persists:** The average cash holding ratio across the top 20 AMCs eased to 4.79% in May, down from 5.03% in April, as equity-oriented AUM continued to expand and fund managers deployed cash amid improving market conditions. With cash levels slipping below the 5% mark, the trend suggests a sustained risk-on stance and a preference to remain more fully invested, while still maintaining sufficient liquidity to navigate market volatility and capitalize on emerging opportunities.
- Equity MF Inflows Hit One-Year Low; SIP Flows Stay Resilient:** Equity MF inflows fell 40% MoM to ₹22,908 crore in May 2026, the lowest in one year, while SIP inflows stayed strong at ₹30,954 crore, down just 1% MoM and above the ₹30,000-crore mark.

Cash Holdings of Top 20 AMCs by Equity-Oriented AUM

Cash-Heavy AMCs: PPFAS Leads with 17.67%

Based on Equity-Oriented Mutual Fund Schemes

AMC	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
SBI MF	728,627	25,914	3.43
ICICI Pru MF	523,364	18,540	3.42
Nippon India MF	456,909	5,386	1.17
HDFC MF	446,474	24,488	5.20
UTI MF	264,606	3,491	1.30
Kotak MF	256,051	6,306	2.40
Axis MF	182,968	13,339	6.79
Mirae MF	166,239	1,832	1.09
Aditya Birla SL MF	151,050	2,967	1.93
PPFAS MF	121,621	26,104	17.67
Motilal Oswal MF	119,155	4,435	3.59
DSP MF	116,316	8,624	6.90
Franklin Templeton MF	92,743	4,904	5.02
Canara Robeco MF	91,004	3,554	3.76
Bandhan MF	85,468	5,512	6.06
Tata MF	81,838	3,690	4.31
Invesco MF	78,546	1,588	1.98
HSBC MF	75,669	1,547	2.00
Quant MF	75,522	12,182	13.89
Sundaram MF	46,021	1,810	3.78

- PPFAS Mutual Fund** continues to hold the highest cash-to-AUM ratio at 17.67%, with ₹26,104 Cr in cash, reflecting a distinctly defensive stance and ample flexibility for future deployment. **Quant MF** follows with a sizeable 13.89% cash holding (₹12,182 Cr), while **DSP MF** (6.90%) and **Axis MF** (6.79%) also maintain relatively elevated cash buffers, indicating a cautious yet opportunity-driven investment approach.
- Among the larger fund houses, **SBI Mutual Fund** holds the largest absolute cash reserve at ₹25,914 Cr (3.43% of AUM), followed by **HDFC MF** with ₹24,488 Cr (5.20% of AUM) and **ICICI Prudential MF** with ₹18,540 Cr (3.42% of AUM), highlighting healthy liquidity cushions across India's leading AMCs.
- Bandhan MF**, **DSP MF**, **HDFC MF** and **Franklin Templeton MF** maintain relatively higher cash levels at 6.06%, 6.90%, 5.20%, and 5.02%, respectively, retaining sufficient flexibility to navigate market volatility and deploy capital as opportunities emerge.

*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 an **11.29% cash-to-AUM ratio** and **₹8,155 Cr** in cash, reflecting a cautious yet opportunity-driven stance. Flexi Cap Funds follow with **8.16% cash holdings** or **₹46,079 Cr**, highlighting their ability to dynamically allocate across market segments as opportunities arise.
- ❖ **Dividend Yield, Small Cap & Focused Funds Maintain Elevated Buffers:** Dividend Yield Funds hold **7.27% cash (₹2,275 Cr)**, while Small Cap Funds maintain **6.38% (₹25,792 Cr)**, indicating prudence amid elevated volatility in the small-cap universe. Focused Funds also retain a healthy liquidity cushion with **6.87% cash or ₹11,974 Cr**.

Equity MF Categories & Their Cash Pile: A Comparative View

Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Contra Fund	64,055	8,155	11.29%
Flexi Cap Fund	518,573	46,079	8.16%
Dividend Yield Fund	29,032	2,275	7.27%
Focused Fund	162,404	11,974	6.87%
Small Cap Fund	378,608	25,792	6.38%
Mid Cap Fund	467,236	23,052	4.70%
Sector / Thematic Fund	510,329	24,947	4.66%
Value Fund	132,387	5,898	4.27%
Large Cap Fund	385,489	13,885	3.48%
Multi Cap Fund	225,598	7,392	3.17%
Large & Mid Cap Fund	329,766	10,493	3.08%
ELSS Fund	233,701	6,374	2.65%

Breaking Down Cash Reserves Across Equity MF Schemes

- ❖ **Flexi Cap Funds Lead in Absolute Cash Stash:** Parag Parikh Flexi Cap Fund holds the largest cash buffer at **₹25,652 Cr**, with cash accounting for **18.14% of AUM**, reflecting a defensive yet opportunity-ready stance. HDFC Flexi Cap Fund follows with **₹7,458 Cr in cash (7.32% of AUM)**, indicating ample liquidity for tactical deployment as market opportunities evolve.
- ❖ **Contra, Small Cap & Large Cap Schemes Maintain Strong Buffers:** SBI Contra Fund retains elevated liquidity at **15.45% of AUM** with **₹7,302 Cr** in cash, underscoring a cautious yet opportunistic approach. Small Cap and Focused Funds also maintain healthy cash buffers, with Axis Small Cap Fund (**11.59%**), SBI Small Cap Fund (**11.28%**), HDFC Small Cap Fund (**10.14%**), and SBI Focused Fund (**8.77%**) reflecting a prudent stance amid market volatility.

Top 10 Equity MF Schemes by Absolute Cash Holding

Scheme Name	Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Parag Parikh Flexi Cap Fund	Flexi Cap Fund	115,794	25,652	18.14%
HDFC Flexi Cap Fund	Flexi Cap Fund	94,364	7,458	7.32%
HDFC Mid Cap Fund	Mid Cap Fund	90,027	7,323	7.52%
SBI Contra Fund	Contra	39,961	7,302	15.45%
SBI Small Cap Fund	Small cap Fund	33,177	4,218	11.28%
SBI Focused Fund	Focused Fund	42,537	4,087	8.77%
ICICI Pru Large Cap Fund	Large Cap Fund	72,288	4,009	5.25%
HDFC Small Cap Fund	Small cap Fund	34,876	3,933	10.14%
Axis Small Cap Fund	Small cap Fund	24,613	3,227	11.59%
Axis Midcap Fund	Mid Cap Fund	30,051	2,801	8.53%

* Source: ACE MF; data as of 31st May 2026.