Cash Holding Trends in Equity MFs as of August 2026

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

- **Equity Buying Surges; Cash Holdings Decline:** Mutual funds invested **₹56,979 crore in equities during August 2026**, sharply higher than **₹11,698 crore in July**, indicating a strong pick-up in equity deployment. Overall equity-oriented mutual fund cash holdings declined to **₹1.84 lakh crore in August from ₹1.92 lakh crore in July**, reflecting increased deployment of available liquidity. With equity purchases significantly exceeding **₹29,329 crore of net equity fund inflows**, fund managers appear to have deployed a portion of their existing cash reserves into equities.
- **AMC Cash Levels Decline Marginally in August:** The average cash holding ratio across the top 20 AMCs **declined to 4.49% in August from 4.66% in July,** marking a **17 bps fall**. The decline suggests a modest deployment of cash into equities, indicating slightly improved investment activity among fund houses while still maintaining adequate liquidity to manage market volatility and capitalize on emerging opportunities.
- **Equity MF Inflows Rebound; SIP Flows Hit Fresh Record:** Equity-oriented mutual fund inflows increased **18.8% MoM to ₹29,329 crore in August 2026** from **₹24,697 crore in July**, marking the **highest inflows in four months** despite market volatility. SIP contributions also rose to a **record ₹32,297 crore** from **₹31,961 crore in July**, highlighting continued strength in systematic retail participation.

Cash Holdings of Top 20 AMCs by Equity-Oriented AUM
Based on Equity-Oriented Mutual Fund Schemes

AMC	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
SBI MF	772,614	21,864	2.75
ICICI Pru MF	561,322	16,845	2.91
HDFC MF	490,950	21,413	4.18
Nippon India MF	487,969	5,451	1.10
UTI MF	282,183	3,128	1.10
Kotak MF	277,312	7,424	2.61
Axis MF	201,948	10,559	4.97
Mirae MF	177,221	1,961	1.09
Aditya Birla SL MF	160,998	3,397	2.07
Motilal Oswal MF	136,870	4,238	3.00
PPFAS MF	130,002	23,876	15.52
DSP MF	128,543	7,355	5.41
Canara Robeco MF	98,240	3,036	3.00
Franklin Templeton MF	97,204	5,240	5.11
Bandhan MF	97,005	8,580	8.13
Invesco MF	92,354	2,330	2.46
Tata MF	86,699	3,641	4.03
HSBC MF	84,742	1,631	1.89
Quant MF	78,590	14,322	15.41
Sundaram MF	50,013	1,589	3.08

*Source: ACE MF, AMFI, SEBI/NSDL, data as of 31 August 2026.
*Average of Cash Holding Ratio= simple average of the cash-to-AUM ratios of the AMCs.

Cash-Heavy AMCs: PPFAS Leads with 15.52%

- **PPFAS Mutual Fund** holds the highest cash-to-AUM ratio at **15.52%, with ₹23,876 Cr** in cash, closely followed by **Quant MF at 15.41%** with **₹14,322 Cr**. The elevated liquidity levels indicate a relatively cautious stance and provide greater flexibility to deploy capital as opportunities emerge.
- In absolute terms, **PPFAS MF** holds the largest cash reserve at **₹23,876 Cr**, followed by **SBI MF with ₹21,864 Cr (2.75%)**, **HDFC MF with ₹21,413 Cr (4.18%)**, and **ICICI Prudential MF with ₹16,845 Cr (2.91%)**, highlighting sizeable liquidity buffers across the larger fund houses.
- **Bandhan MF** maintains a relatively high cash-to-AUM ratio of **8.13%**, followed by **DSP MF (5.41%)**, **Franklin Templeton MF (5.11%)** and **Axis MF (4.97%)**, reflecting comparatively higher liquidity positions and scope to deploy funds amid market opportunities.

Cash Reserves Across Equity MF Categories: A Deep Dive

- **Contra & Flexi Cap Funds Lead Cash Holdings: Contra Funds** remain the most cash-heavy category at **9.35% of AUM (₹7,101 Cr)**, reflecting a cautious yet opportunity-driven approach, while **Flexi Cap Funds** hold the largest absolute cash pile of **₹42,849 Cr (7.00% of AUM)**, providing fund managers with significant flexibility for tactical deployment across market segments.
- **Small Cap, Dividend Yield & Focused Funds Maintain Healthy Buffers: Small Cap Funds** hold **6.79% cash (₹31,613 Cr)**, while **Dividend Yield Funds** maintain **8.13% (₹2,610 Cr)** and **Focused Funds** hold **5.37% (₹10,141 Cr)**. These relatively elevated cash levels indicate a prudent stance and provide sufficient liquidity to navigate market volatility.

Equity MF Categories & Their Cash Pile: A Comparative View

Category	Equity Allocation (₹ Cr)	Cash Holding (₹ Cr)	Cash as % of AUM
Contra Fund	68,802	7,101	9.35%
Dividend Yield	29,516	2,610	8.13%
Flexi Cap Fund	569,136	42,849	7.00%
Small Cap Fund	433,981	31,613	6.79%
Focused Fund	178,640	10,141	5.37%
Thematic Fund	259,670	12,885	4.73%
Mid Cap Fund	520,678	23,091	4.25%
Value Fund	138,111	5,663	3.94%
Sectoral Fund	288,082	11,451	3.82%
Multi Cap Fund	249,297	7,342	2.86%
ELSS Fund	242,058	7,010	2.81%
Large Cap Fund	403,783	10,622	2.56%
Large & Mid Cap	363,429	9,543	2.56%

Breaking Down Cash Reserves Across Equity MF Schemes

- **Parag Parikh Flexi Cap Fund Leads in Absolute Cash Holdings: Parag Parikh Flexi Cap Fund** holds the largest cash reserve at **₹23,388 Cr (15.87% of AUM)**, followed by **HDFC Mid Cap Fund** at **₹7,662 Cr (7.07%)** and **HDFC Flexi Cap Fund** at **₹5,841 Cr (5.14%)**.
- **Contra & Small Cap Funds Maintain Strong Buffers: SBI Contra Fund** holds **₹5,124 Cr in cash**, accounting for **10.77% of AUM**, while **Bandhan Small Cap Fund** maintains a high **13.45%** cash allocation. **SBI Small Cap Fund (11.76%)**, **Quant Small Cap Fund (10.46%)** and **HDFC Small Cap Fund (10.30%)** also retain sizeable liquidity cushions, indicating a prudent stance and sufficient flexibility to capitalise on emerging market opportunities.

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-Reg(G)	Flexi Cap Fund	124,016	23,388	15.87%
HDFC Mid Cap Fund-Reg(G)	Mid Cap Fund	100,663	7,662	7.07%
HDFC Flexi Cap Fund(G)	Flexi Cap Fund	107,765	5,841	5.14%
SBI Contra Fund-Reg(IDCW)	Contra Fund	42,465	5,124	10.77%
SBI Small Cap Fund-Reg(G)	Small Cap Fund	37,617	5,014	11.76%
Bandhan Small Cap Fund-Reg(G)	Small Cap Fund	29,580	4,596	13.45%
HDFC Small Cap Fund-Reg(G)	Small Cap Fund	37,577	4,314	10.30%
ICICI Pru Large Cap Fund(G)	Large Cap Fund	76,414	3,792	4.73%
Quant Small Cap Fund(G)	Small Cap Fund	31,839	3,718	10.46%
SBI Focused Fund-Reg(G)	Focused Fund	47,589	3,658	7.14%

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

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