

# Mixed session for smallcap firms with major stakes in Quant MF

ABHISHEK KUMAR  
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Smallcap companies with significant Quant Mutual Fund stakes had a mixed day in the stock market on Monday, the first trading session after the front-running investigation at the fund house came to light. While most of the companies with 5 per cent or more Quant Mutual Fund holding closed in the red, few stocks ended the session flat or with small gains.

For comparison, the Nifty Smallcap 100 index closed 0.1 per cent lower on Monday.

Smallcap stock prices are sensitive to any large selling due to low market capitalisation. If Quant Mutual Fund schemes see a surge in redemptions due to the investigation, smallcap stocks with high exposure can come under pressure, according to experts.

"If too many investors get



jittery and decide to start exiting simultaneously, this will lead to redemption pressures and negatively impact the fund's net asset value (NAV). More so, if the selling pressure increases due to mass redemption in the low-float stocks and/or in the funds that hold large quantities of mid-

cap and smallcap stocks," said Dev Ashish, Sebi-registered investment adviser & founder, Stable Investor. Quant Mutual Fund tried to assuage investor concerns through a statement on Sunday.

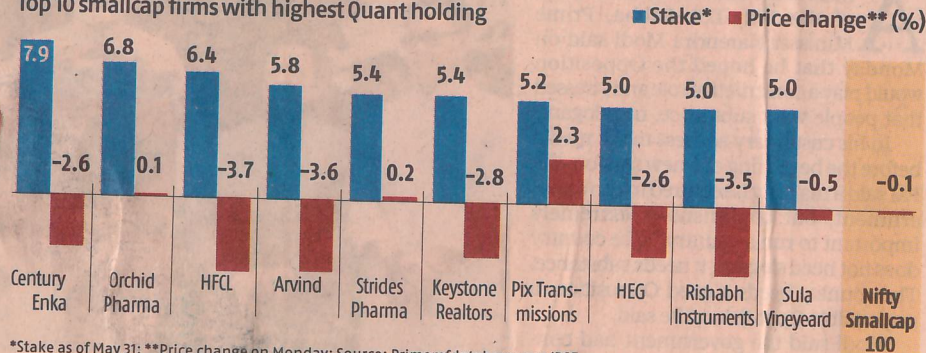
"We want to assure you that Quant Mutual Fund is a regulated entity, and we are always

fully committed to cooperating with the regulator throughout any review. We will provide all necessary support and continue to furnish data to the Securities and Exchange Board of India (Sebi) on a regular and as-needed basis," it said in a communication to investors.

"Our primary goal remains unchanged: to deliver superior risk-adjusted returns to all our valued investors. Your confidence in Quant Mutual Fund is of utmost importance to us, and we are dedicated to maintaining transparency and adherence to regulatory standards," it added.

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Top 10 smallcap firms with highest Quant holding



\*Stake as of May 31; \*\*Price change on Monday; Source: Primemfdatabase.com/BSE