Helios Mutual Fund — Har term ke liye....

ICICI Direct

Helios Balanced Advantage Fund

(An open ended Dynamic Asset Allocation Fund)

NFO Opens: 11th Mar, 2024

NFO Closes: 20th Mar, 2024

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Helios Capital Management: Founder

Samir C. Arora

Previous Experience:

- 1998-2003: Head of Asian Emerging Markets, Alliance Capital Management Singapore. Responsible for fund management and research, covering 9 Asian markets
- 1993-2003: CIO of Alliance Capital's Indian mutual fund business. Manager of Asian Emerging Markets mandates, and all of Alliance Capital's India-dedicated equity funds
- 1991-1993: Research Analyst, Alliance Capital New York
- Alliance Capital's first employee in India, relocated to Mumbai (1993) to help start Alliance Capital's Indian mutual fund business
- Manager of the ACM India Liberalization Fund, an India-dedicated offshore fund, from its inception in 1993 till August 2003

Education

- Undergraduate degree in engineering from Indian Institute of Technology, New Delhi, 1983
- MBA (gold medalist), Indian Institute of Management, Calcutta, 1985
- Master's degree in finance from Wharton School of the University of Pennsylvania, 1992 (recipient of Dean's scholarship for distinguished merit)

Awards and honors

- At Alliance Capital, India-dedicated mutual funds managed by Samir received over 15 awards, including AAA rating from Standard and Poor's Micropal for four years in a row (over 1999 to 2003) for the India Liberalization Fund
- Voted in 2002 as the most astute equity investor in Singapore (rank: 1st) in a poll conducted by The Asset magazine
- Helios Strategic Fund (HSF), LLP Singapore managed by Mr. Samir Arora has been nominated for various Indian as well as Asian fund performance awards including Best India Hedge Fund Award in 2006, 2007, 2008, 2010, 2011, 2013, 2015, 2016, 2018, 2020 with HSF winning the award four times. Nominated for Best India Equity Fund Award in 2014, 2015, 2016, 2017, 2021, 2023, Investors Choice Awards in 2015 (winning year), 2016 & 2022, it was also nominated for Asia Hedge Award in 2015 & received the award in 2018 for its long term (five years) performance along with nomination for Long Term - 10 Years Performance HFM Asian Performance Awards 2023

Philanthropy

- Engaged with causes of children and differently-abled. Co-Founder of "not for profit" Ashoka University. Funded a lifetime student bursary at the Singapore University of Technology and Design

Helios Capital Asset Management - Leadership Team

Dinshaw Irani

CEO/PO, Helios India

Overall Experience: 31 yrs

Investment Experience: 31 yrs

At Helios India & Artemis Advisors: 18 yrs

Prior Experience:

Executive Director at Artemis Advisors (research advisors to Helios Singapore)

Principal Portfolio Manager at SSKI Portfolio Advisors

Vice President and Analyst-Asian Emerging Markets at Alliance Capital Management, Mumbai

Analyst, Sun F&C Asset Management

Education: MBA, IRMA

Abhay Modi

Head of Research, Helios India

Investment Experience: 29 yrs

At Helios India & Artemis Advisors: 16 yrs

Prior Experience:

Executive Director at Artemis Advisors (research advisors to Helios Singapore)

Reliance Capital: Private equity investments

Strategic Planning & M&A, Indian Hotels Ltd.

Research Analyst: Cazenove

Research Analyst: Fitch IBCA, Duff and Phelps

Education: MBA, IIM (Ahmedabad)

Alok Bahl

CIO, Helios India - MF

Investment Experience: 30 yrs

At Helios Singapore & India: 18 yrs

Prior Experience:

Head of Institutional Equity Business at Fortis Securities, India

Branch Head-Mumbai, Quantum Securities, India

Head of Institutional Sales at DBS Capital Trust Securities, India

Education: PGCBM, XLRI

Deviprasad Nair

Head of Business, Helios India

Overall Experience: 19 yrs

At Helios India Mumbai: Joined on Jan-2021

Prior Experience:

Head Sales & Business Development, PMS & AIF at ICICI

Prudential Asset Management Company.

Aditya Birla Sun life Mutual Fund

HSBC Mutual Fund.

Education: Master's in Financial Markets & Investments from France, MBA in Marketing

Kiran Deshpande

COO and CFO, Helios India

Overall Experience: 33 years

At Helios India Mumbai: Joined on Oct-2022

Prior Experience:

COO & CFO at Baroda Asset Management

COO at Deutsche Asset Management

Associated with Birla Sun Life

Education: Cost and Management Accountant, Company Secretary, Masters in IM

Abhinav Khemani

Chief Compliance Officer, Helios India

Overall Experience: 19 years

At Helios India: Joined on Mar-2023

Prior Experience:

HSBC AM, Aditya Birla Sun Life, Tata AM, SBI Fund Management

Education: Chartered Accountant, B.com

- CEO & Senior Investment team members have 29+ years of professional experience in direct India investing
- Cumulative India-related investment experience of the team exceeds 119+ years

Why take a "Balanced Approach" during investing?

Hypothetically, lets assume market is likely to go up by 100%

over the next two months, would you prefer to buy a pure equity fund

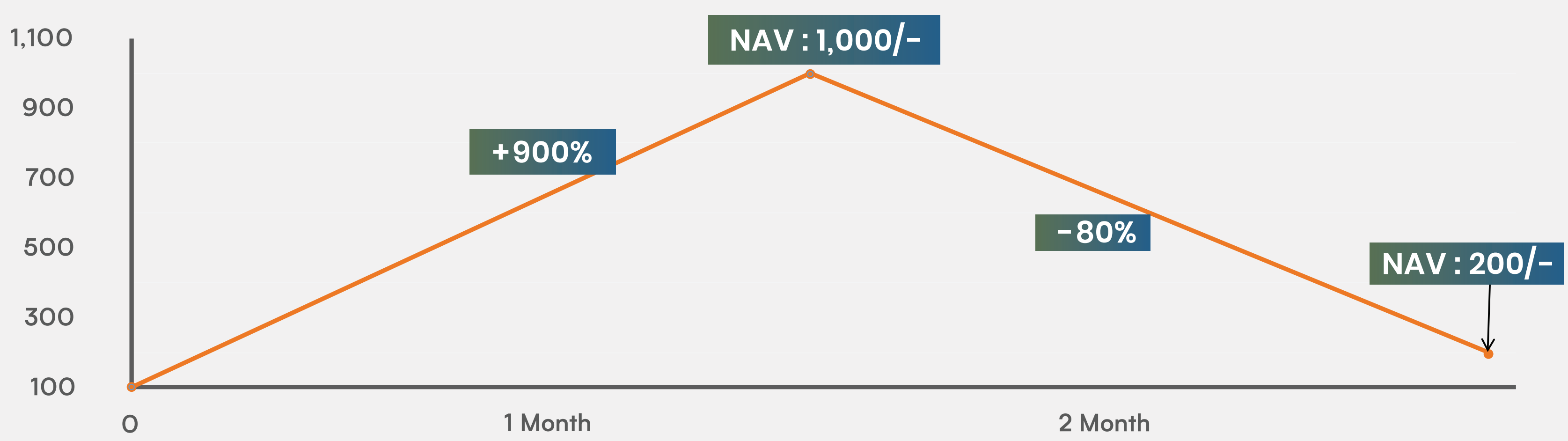
or **a balanced advantage fund**

with over 65% net exposure and monthly rebalancing?

65% net equity is for illustration purpose fund endeavours to maintain net equity between 30%-80% refer the SID for more details.

Correct Answer: It depends

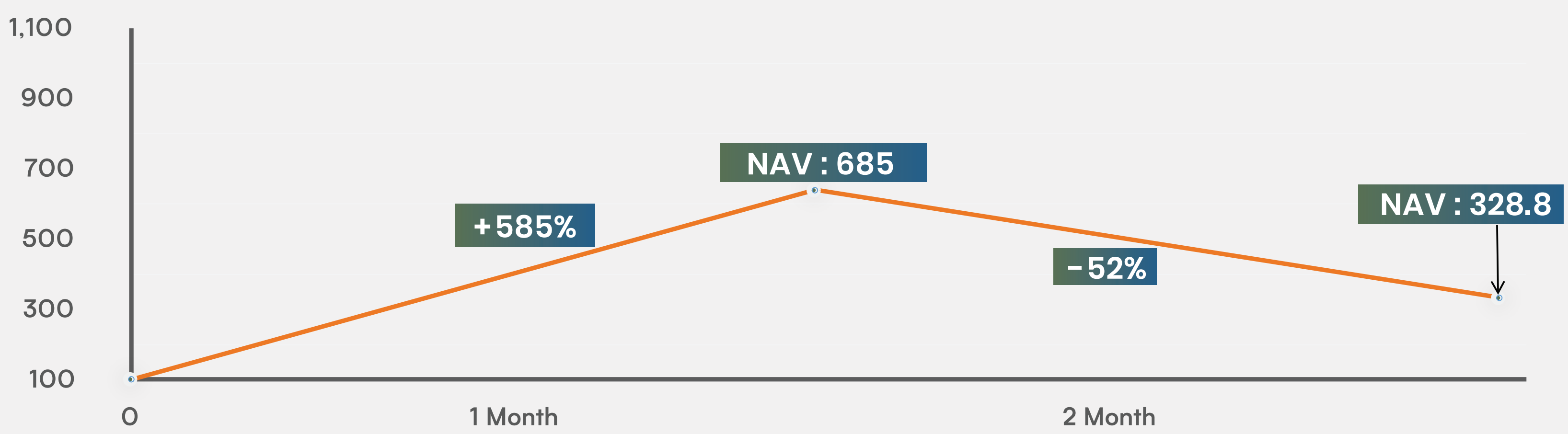
Example: Market goes up by 900% (10 times) in the 1st month and then falls 80% in the 2nd month



Returns for fully invested equity fund, will be 100% (assuming performance in line with market)

The above chart is prepared for illustration purpose only to explain the impact of rise and fall in the market.
While markets are volatile by nature, such drastic movements may not occur.

Returns for a 65% net exposure fund with month-end rebalancing



Assuming performance in line with the market, fund with 65% exposure goes up 585% in Month 1 (market up 900%), falls 52% in the second month (market down 80% & assuming rebalancing at the end of month 1), and ends up with returns of 229% in two months.

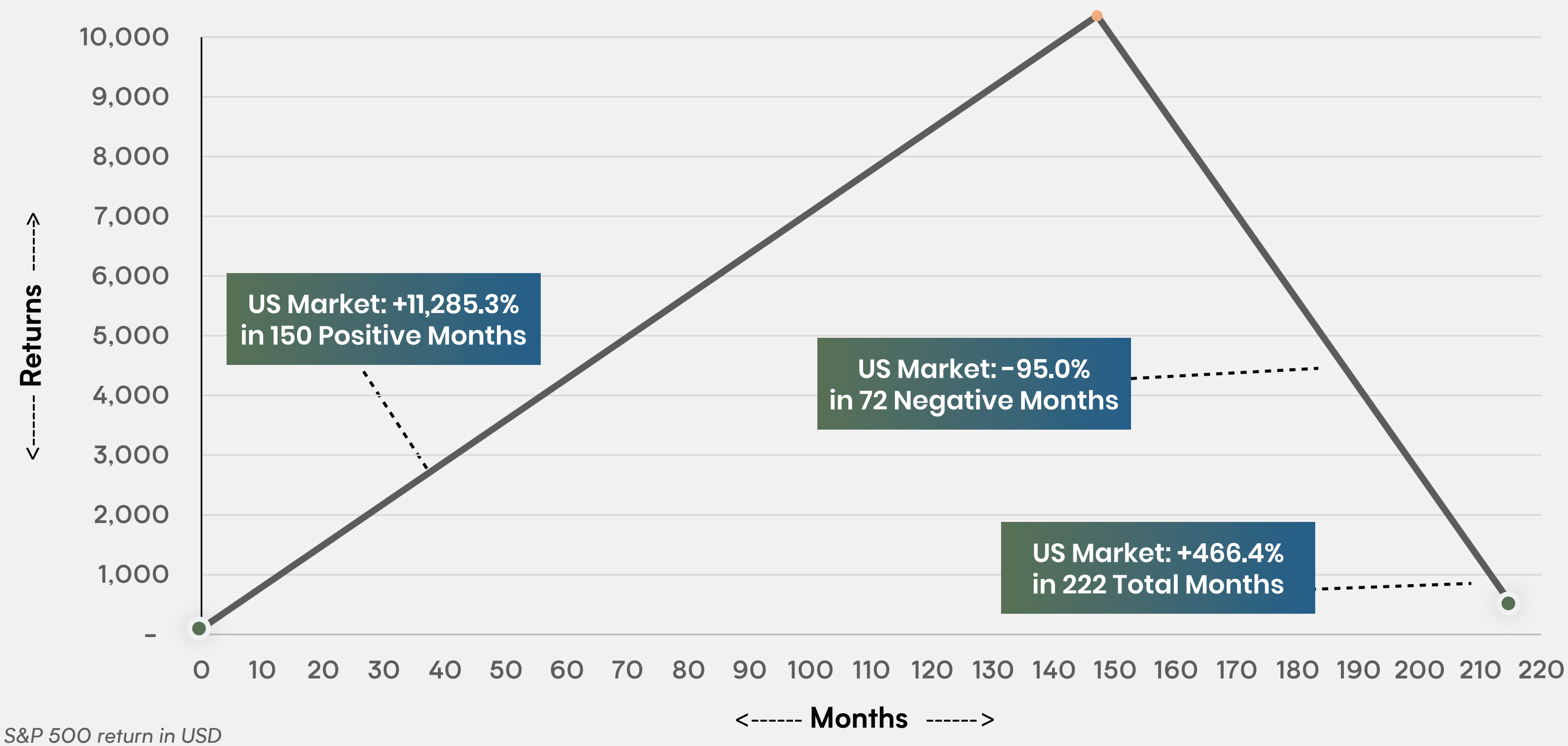
The above chart is prepared for illustration purpose only to explain the concept of impact of rise and fall in the market. While markets are volatile by nature, such drastic movement over short period is impractical. The above is for illustration purpose the net equity level of fund will be between 30%-80% for more details please refer to SID.

Even in a scenario when the market is up **100%** in **2 months**,

a balanced approach can deliver better returns given the path of returns (volatility of returns)

The logic works in markets that have very high volatility

Real Life Example: Returns of S & P 500 (Grouped by positive & negative months)

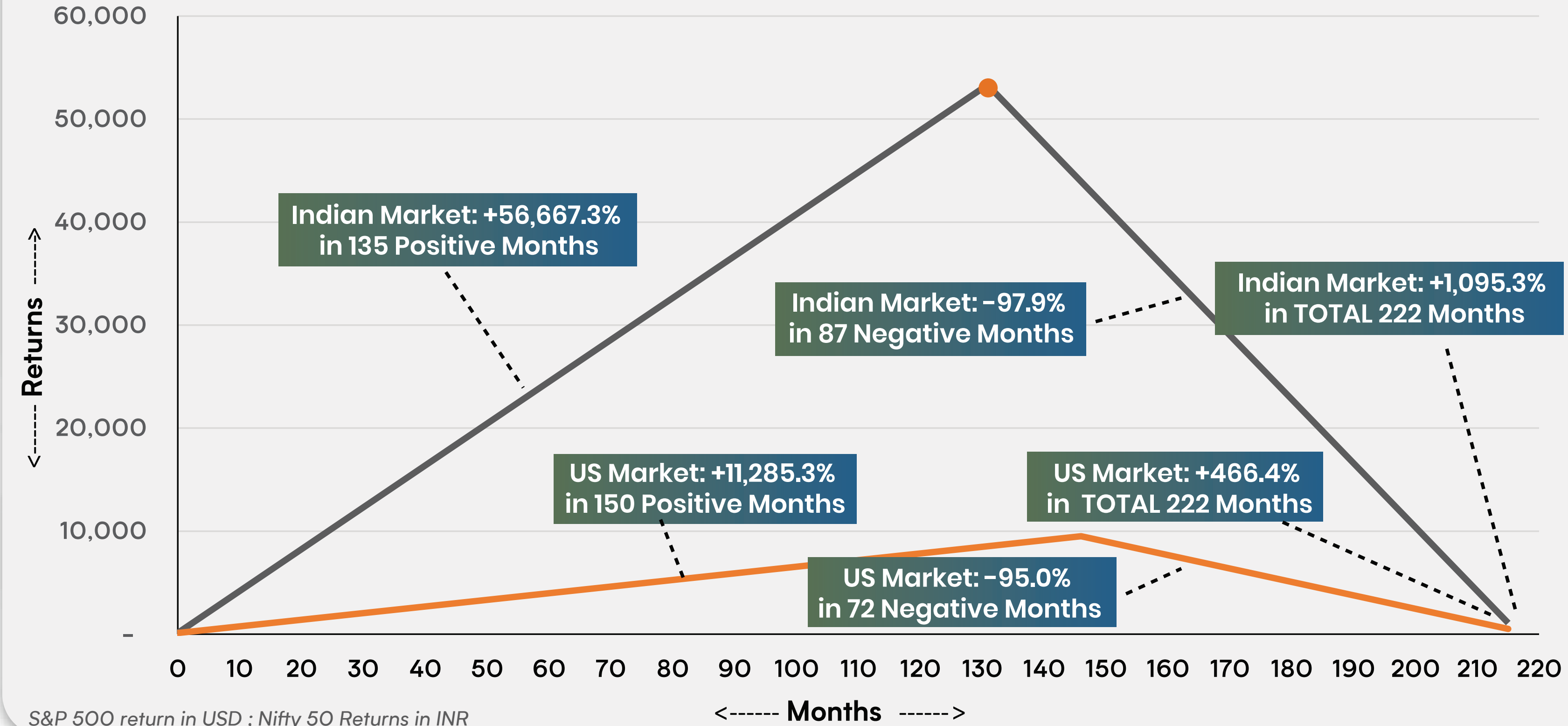


All returns are absolute in nature. Source: S&P Website, NSE Website. Internal Calculation

Data Since July 2005 to Jan 2024

Past performance may or may not be sustained in the future. The above charts are only for illustration purpose and not an investment advice.

BAAP of Volatility: INDIA



S&P 500 return in USD ; Nifty 50 Returns in INR

All returns are absolute in nature. Source: S&P Website, NSE Website. Internal Calculation

Data Since July 2005 to Jan 2024

Past performance may or may not be sustained in the future. The above charts are only for illustration purpose and not an investment advice.

In Volatile Markets, Money saved is (much) More Valuable than Money Earned

Name	Returns^: Jul 2005 to Jan 2024		
	Returns in Positive Months of Index	Returns in Negative Months of Index	Total
S&P 500 Index **	11285.324%	-95.025%	466.409%
Nifty 50 Index **	56667.315%	-97.894%	1095.263%

^ Performance in +ve and -ve months of Index; **Including dividends;

Observation

Since July 2005, Indian market has given aggregate returns of 1095.263%. Over this period, the market went up cumulative 568x in the 135 positive months and fell a cumulative -97.894% in the 87 negative months (these months were not consecutive but that does not matter)

Working with simple rounded numbers for easier understanding

- Suppose market goes up cumulative 570X in +ve months and falls cumulative -98% in the negative months. So the market is up 11X or has 1040% return, over the whole period
- If one can save total 1% cumulatively in the negative months (ie. down -97% in negative months), performance will jump to 17X or total return of 1610%
- To get this level of performance (17x) from doing better in positive months will require performance in positive months to be 855X (with performance in negative months being down -98%)
- 1% lower drawdown in the negative months is equivalent to earning 285x higher returns in the positive months.
- In highly volatile markets, any money saved in negative periods/months/phases has a disproportionate impact on portfolio returns relative to extra money made in positive months

All returns are absolute in nature.

***Date from July 2005 till Jan 2024. S&P500 return is in USD*

Note: Percentages rounded to 3 decimals; Stock market indices are included as illustrations of general equity market performance.

Money Saved is Money Earned: Works in All Periods

For illustrative purposes, we exclude 2008 from performance analysis. Without 2008, the Indian market would have been up 2346.08% since July 31st, 2005.

In this very strong market scenario over 17 years, it would be unreasonable to expect a dynamically managed balanced advantage fund with lower equity exposure to outperform the pure equity fund. However, it seems that by avoiding the equity participation in negative periods, one can generate better returns.

Name	Total Returns: Jul 2005 to Jan 2024		
	Without 2008		
	+ve Returns*	-ve Returns*	Total
S&P 500 Index*	10354.9%	-91.4%	799.0%
NIFTY 50 Index*	43723.8%	-94.4%	2346.5%

All returns are absolute in nature. Source: S&P Indices, NSE Internal calculation

Past performance may or may not be sustained in the future. The above charts are only for illustration purpose and not an investment advice.

Presenting

Helios Balanced Advantage Fund (BAF)

(An open ended Dynamic Asset Allocation Fund)

Helios MUTUAL FUND Har term ke liye....

Helios BAF – Positioning & Strategy

ICICI Direct

Aims to capitalize on the potential upside of equities while attempting to limit the downside through dynamic portfolio management

Gross equity and equity related exposure would normally be maintained between 65%-100%, and the net equity exposure shall be between 30% to 80% range

Various derivative strategies would be used for hedging against market headwinds

Equity portfolio will be build basis Helios's Elimination Investing (EI™) philosophy^

^For more details on Elimination Investing Strategy, please refer to the Scheme Information Document (SID)

Exposure Management Framework

Portfolio's equity exposure will be at the lower end when all pillars are rated red & at the higher end when all pillars are rated green

Four pillars of exposure management framework

Score	Macro Conditions	Market Conditions	Valuations	Market Sentiment
Red				
Yellow				
Green				

What do the four pillars of exposure entail?

Macro Conditions

Monitoring of macro data such as GDP growth, inflation, interest rates, liquidity conditions, tax collections, government policy and political environment. Whilst the main focus of the above framework is on Indian economy, the framework also entails an assessment of macro conditions across the globe, especially in the USA.

Valuations

Monitoring the valuation of major Indian indices (PE, PB, earnings yield, etc.) versus their own history and in the context of the expected earnings growth of the market, and valuation of Helios' pool of covered / investable stocks relative to their own history as well as relative to the market, and in the context of their expected earnings growth.

Market Conditions

Monitoring of investor sentiment, investor activity in cash and options markets, demand for IPOs, market preference for large, mid or small caps, inflows/outflows from domestic investors, inflows/outflows from FII investors, etc. .

Market Sentiment

Momentum indicators, India VIX index, etc.

Investment Process

Structured work-flow entailing idea-generation, fundamental research, rejection based funneling of opportunities, portfolio construction and risk management

Our Philosophy - Elimination Investing(EITM)

A

Eliminating stocks with conviction, based on (eight) fundamnetal screening factors, has repeatedly proven to be effective in weeding out poor performers, gravitating towards winners, and creating a sustainable outperformance profile

B

Avoiding permanent loss of capital must be an overarching objective at every stage of the investment process, at stock level and at portfolio level

C

Investing is a deeply fundamental research driven process, executed in the context of evolving macroeconomics, market conditions, industry trends and thematic tailwinds

Elimination based screening: We start with what NOT to buy!

Presence of even ONE of the elimination factors typically prevents a stock from doing well

Screening factors for Elimination[1]

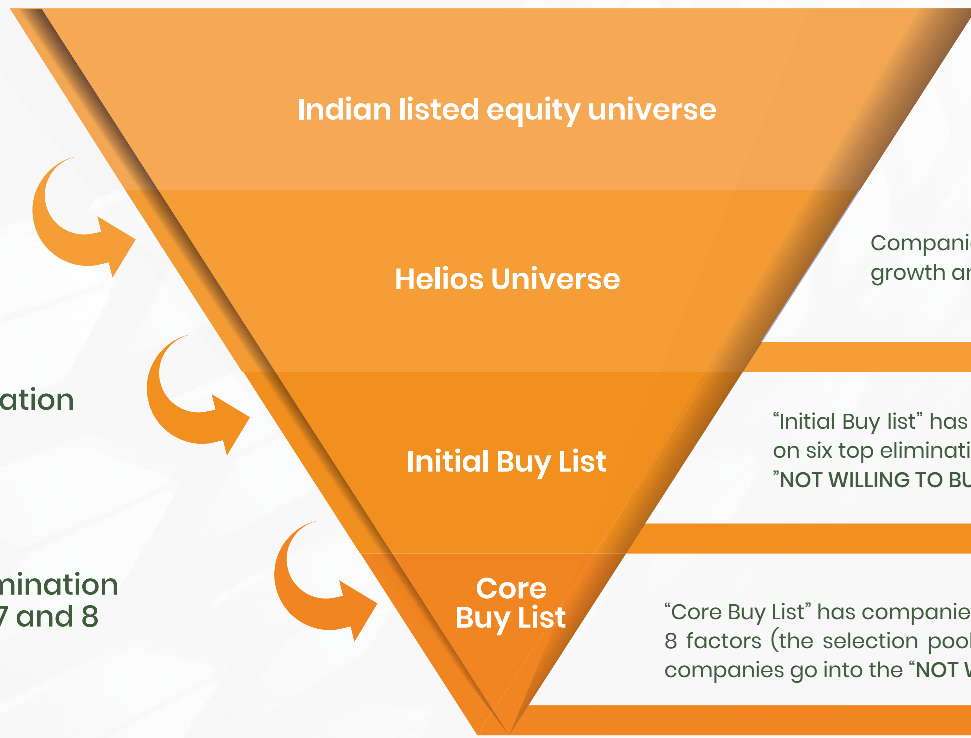
1. Bad theme (size of opportunity)
2. Unfavorable industry dynamics
3. Potential for disruption
4. Chinks/weakness in management/ background/ strategy
5. Poor corporate governance
6. Low quality accounting
7. **Negative medium-term triggers (in most cases projected financial performance)**
8. **Unreasonably high valuations**

- Each company is rated on each of the factors above as “Bad”, “Not Bad” or “Good”
- If a company is classified as “Bad” on even one of the top 6 factors, it will be eliminated and put in the “Not Willing to Buy Bucket”. This is akin to a permanent elimination
- If a company passes the top 6 factors but ranks “Bad” on any of factors 7 or 8, it gets eliminated and enters the ”Willing to Buy, but Not Now” list
- The investable long companies therefore must be ranked “Good” or “Not Bad” on each of the 8 factors
- Very rarely does any company have all 8 factors classified as “Good”. Therefore, we will accept companies that rate “Not Bad” on some factors e.g. an exceptional company that ranks “Good” on all factors other than valuation, on which it ranks Not Bad i.e. its valuation is not so high that it gets eliminated on the “unreasonably high valuation” factor
- If a factor ranks as “Not Bad” as opposed to “Good,” in practice it means that the factor is not the main influencer in the ultimate decision to buy or not buy
- There is no trade off amongst factors. Each factor is like a Veto if the rank is “Bad”

[1] *Detailed checklists exist for each of the factors.*

Narrowing the universe to a Core Buy-list

Narrow down universe to a shortlist of companies that "cannot be eliminated on any factor!"



First level of screening

Companies with sufficient liquidity and supportive growth and sector dynamics

Apply 1st six elimination factors

"Initial Buy list" has companies that "cannot be eliminated on six top elimination factors." Eliminated companies go to "**NOT WILLING TO BUY**" list

Apply elimination factors 7 and 8

"Core Buy List" has companies that rate as "Not Bad" or "Good" on all 8 factors (the selection pool for the long portfolio). The rest of the companies go into the "**NOT WILLING TO BUY NOW**" list

Building an all weather portfolio – a bar-bell long portfolio

A robust long portfolio needs to have 2 kind of stocks:

"Good" Stocks:

Offer "**High Confidence in reasonable returns**"

- Higher quality, consistently performing companies with clear strengths (moat), size of opportunity and high visibility in earnings
- Do not expect these companies to get (further) re-rated but happy with their expected performance over the next few years
- Sell these stocks if valuations become too high or if there are some fundamental changes that make us reconsider our case
- Comprise the lower turnover part of the long book Differentiation versus peers mainly from timing of buy/sell and sizing

+

"Emerging" good stocks:

Offer "**Reasonable confidence in high returns**"

- Companies where we expect higher returns from a combination of earlier discovery (or re-discovery) of stock and re-rating of company if it delivers on its potential
- Some of these stocks are mid-caps but they could also be large cap companies where we see trigger for sustained recovery or re-discovery by market
- Comprise the more active part of the long book
- Differentiation vs. peers via early discovery or timing of buy/sell and sizing

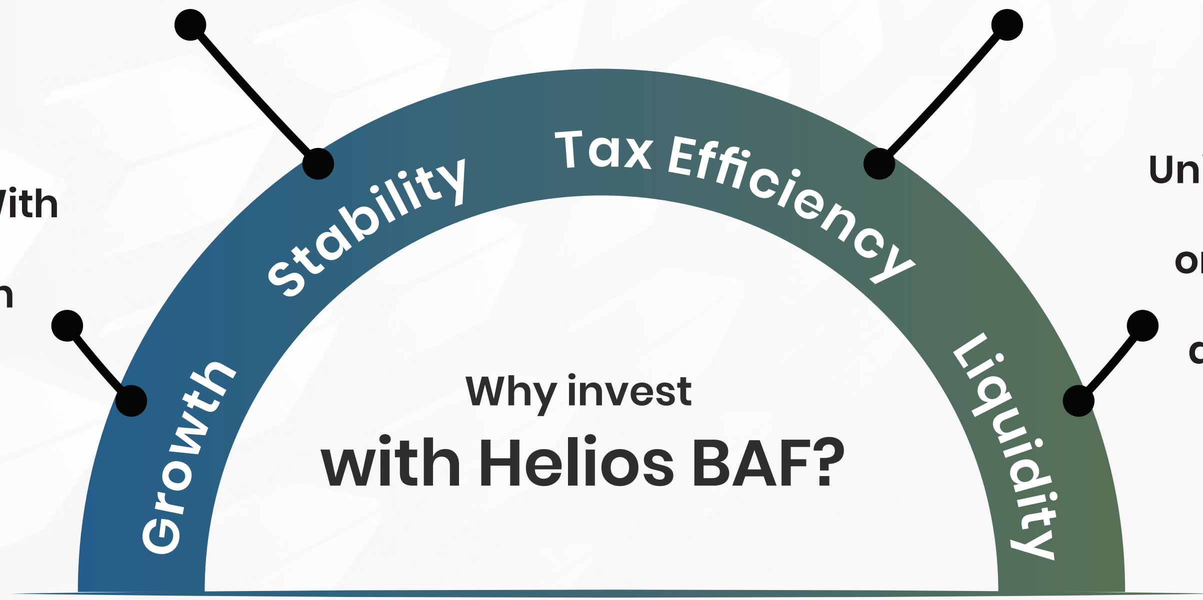
Why invest with Helios BAF?

Attempts to limit downside risk by hedging , tweaking debt

Endeavors to allocate =/> 65% into equities, which will provide the Scheme with Equity Fund taxation

Growth Potential With Equity Allocation

Units can be redeemed on any Business Day at NAV based price.



Please refer Scheme Information Document for details on Taxation, Asset Allocation and scheme specific risk factors.

Helios BAF - Advantage

25+

Managed by a team of fund managers with over 25* years of equity market experience.

Employs an internal exposure management framework that informs the portfolio manager's asset allocation decisions Inherent risk mitigation through rigorous company screening.

Commitment to consistency, pragmatism and disciplined investing with an objective to deliver sustainable investment experience to the investors

No need for market timing as assets are rebalanced periodically by experienced fund managers

** Mr. Alok Bahl has 30 years of overall experience in equity markets. Over 18 years of experience in managing Long Short strategy.*

Who Should Invest

Low Volatility/ Hedged Equity Portfolio:

Investor who want to stay put in equity with less volatility.

Retirement Corpus Parking:

Ideal for those looking to generate fixed/regular income stream over long term with Systematic Withdrawal Plan along with potential to growth.

New investors:

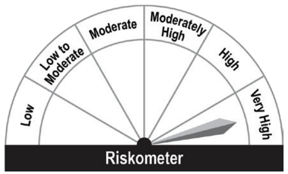
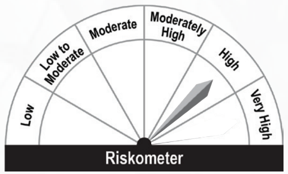
Investors new to mutual fund investing yet wishing to invest in Indian equities can do so through the balanced advantage fund that manages equity allocations dynamically.

Helios Balanced Advantage Fund Details

<table>
<tr><td>Type of Scheme</td><td>An open-ended dynamic asset allocation fund</td></tr>
<tr><td>Benchmark</td><td>CRISIL Hybrid 50+50– Moderate Total Return Index (TRI)</td></tr>
<tr><td>Fund Managers</td><td>Equity Portfolio Manager: Mr. Alok Bahl & Mr. Pratik Singh
Debt Portfolio Manager: Mr. Utssav Modi</td></tr>
<tr><td>Investment Objectives</td><td>The investment objective of the scheme is to capitalize on the potential upside of equities while attempting to limit the downside by dynamically managing the portfolio through investment in equity & equity related instruments and active use of debt, money market instruments and derivatives. However, there can be no assurance that the investment objective of the Scheme will be realized.</td></tr>
<tr><td>Asset Allocation</td><td>
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equity & Equity related instruments</td><td>100%</td><td>0%</td><td>Very High</td></tr>
<tr><td>Debt Securities and Money Market Instruments, cash, and cash equivalents and / or units of debt oriented mutual fund schemes/ Exchange Traded Funds (ETFs).</td><td>100%</td><td>0%</td><td>Low to Medium</td></tr>
</table>
</td></tr>
<tr><td>Exit Load</td><td>(i) If units redeemed or switched out are upto 10% (limit) of the units purchased or switched in within 3 months from the date of allotment – Nil
(ii) If units redeemed or switched out are over and above the limit within 3 months from the date of allotment– 1% of the applicable NAV
(iii) If redeemed/ switched out after 3 months from the date of allotment– Nil</td></tr>
<tr><td>Plans and Options</td><td>Regular & Direct Plan (Growth & IDCW* Option)</td></tr>
<tr><td>Minimum Investment Amount (lumpsum)</td><td>Lumpsum investment: Rs. 5,000 and in multiples of Re. 1 thereafter.</td></tr>
<tr><td>Minimum Additional Subscription Amount (lumpsum)</td><td>Rs 1,000/- per application and in multiples of Re. 1/- thereafter.</td></tr>
<tr><td>Minimum Redemption Amount</td><td>The minimum redemption amount shall be 'any amount' or 'any number of units' as requested by the investor at the time of redemption.</td></tr>
</table>

** Income Distribution cum capital withdrawal Option*

Product Labelling and Risk-O-meter

Scheme Name	Scheme Risk-o-meter#	Benchmark (CRISIL Hybrid 50+50 – Moderate Total Return Index(TRI)) Risk-o-meter
Helios Balanced Advantage Fund (An open-ended dynamic asset allocation fund) This product is suitable for investors who are seeking*: • Long term wealth creation • Investment in a dynamically managed portfolio of equity & equity related instruments and debt & money market securities	 Investors understand that their principal will be at Very High Risk	 Benchmark Riskometer is at High Risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

It may be noted that risk-o-meter specified above is based on the characteristics of the scheme and the same may vary post closure of the New Fund offer basis the actual investments made under the scheme.

Disclaimers

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.