



Helios Flexi Cap Fund

(An open-ended dynamic equity scheme investing across large cap, mid cap and small cap stocks)

NFO Opens: 23rd Oct, 2023

NFO Closes: 6th Nov, 2023

Contents

- 1 Overview and Team
- 2 India: A Long Term Outperformer
- 3 Our Philosophy – Elimination Investing
- 4 Investment Process
- 5 Case for (Flexi Cap) Market Cap Diversification
- 6 Helios Flexi Cap Fund

1. Overview and Team





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 AsiaHedge 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 Oct-2022
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 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

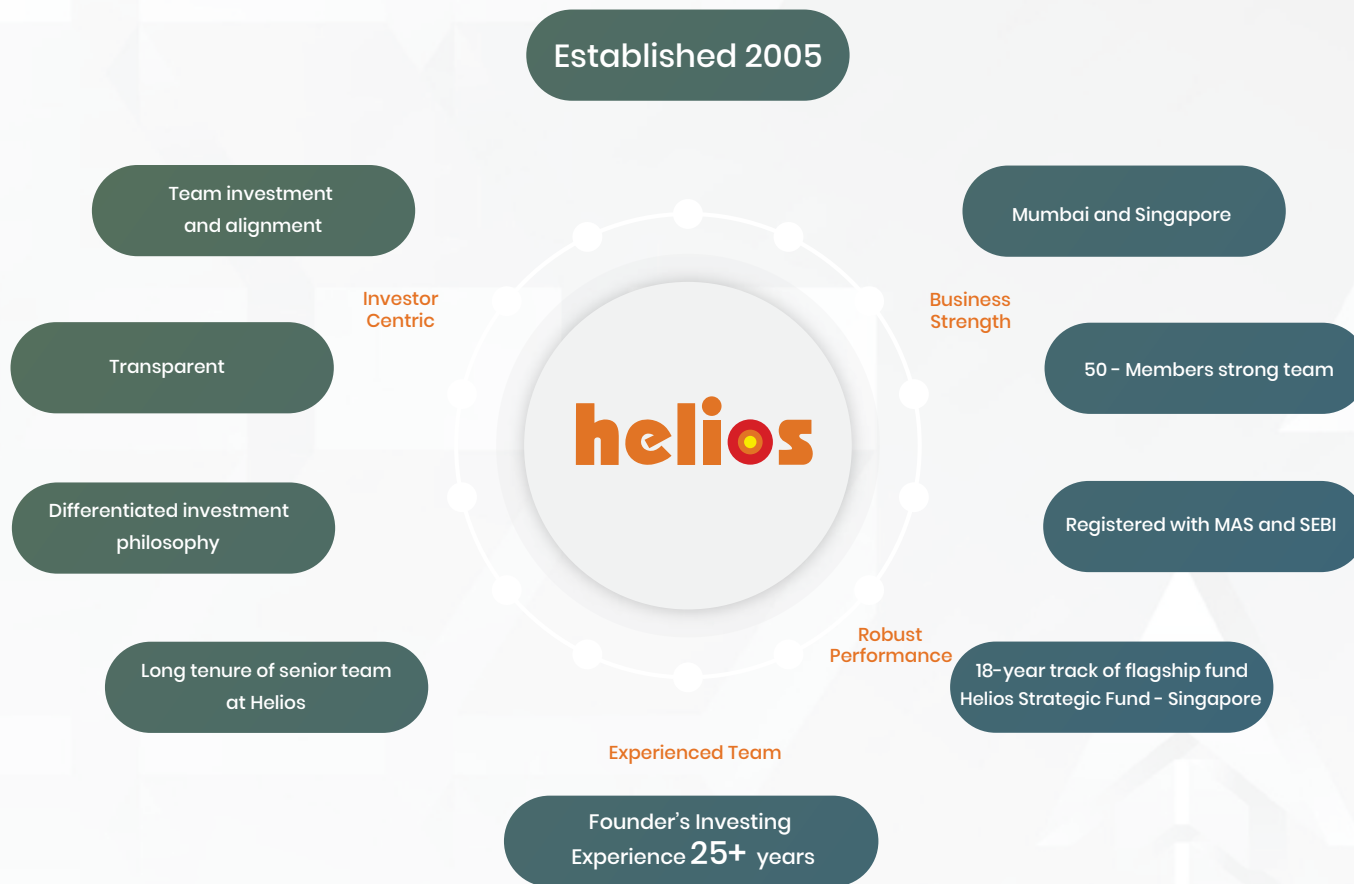
Chief Compliance Officer,
Helios India

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

Helios Group: India equity specialists with track record since 2005



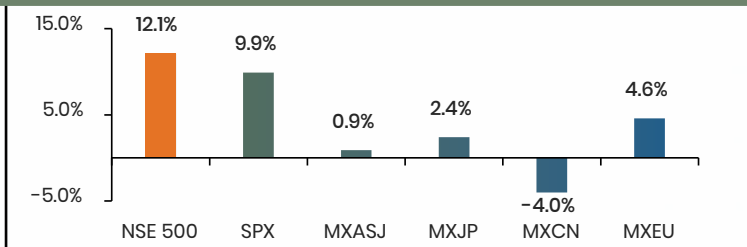
The team at Helios is bound together by our shared belief that India is a great equity market, fated to achieve even greater heights, and our conviction in our ability to deliver out-performance alongside full transparency.

2. India: Long Term Outperformer

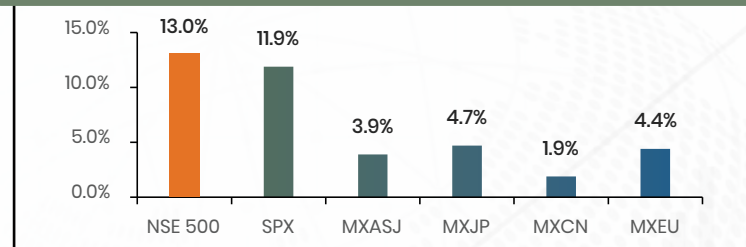


India: Annualized USD performance – consistent outperformer

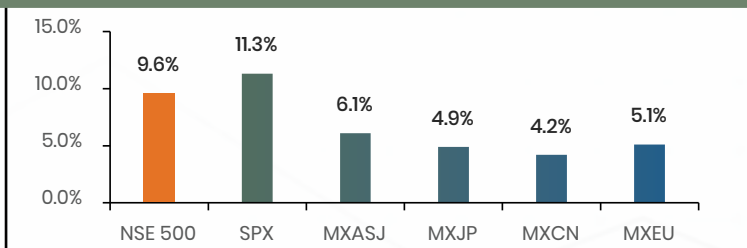
Last 5 years (includes Covid and NBFC Crises)



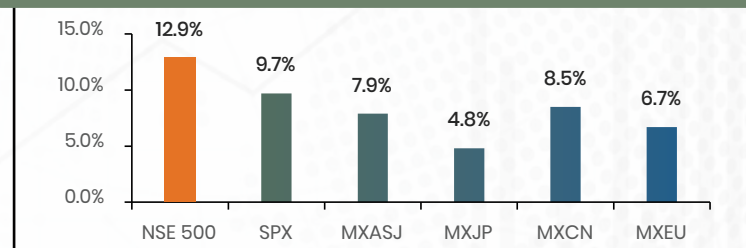
Last 10 years (includes Demonetization and EM sell-off)



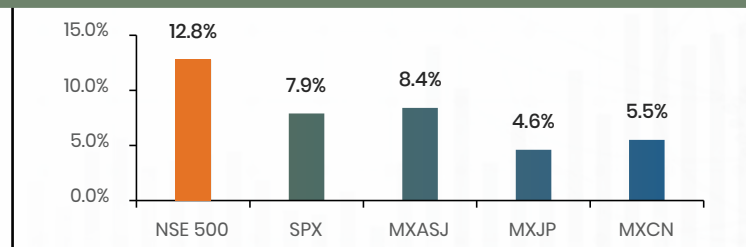
Last 15 years (includes GFC & corruption cases of 2010-12)



Last 20 years



Last 25 years (includes dotcom bust, 2000-2002 recession)



Source: Bloomberg, annualized performance numbers in USD as of 30 Sep 2023

India outperformed despite crises, events and volatility

India's resilience in the face of crises has been stark, and the clean-up and reforms alongside various crises have set the stage for India to outperform over the coming decades



A. Episodes of Domestic Political Uncertainty

- 8 coalition governments
- 3 different governments between 1996 and 1998
- A government that lasted only 13 days in 1996
- Prime Ministers that many have not heard of: H.D. Deve Gowda; I.K. Gujral
- 17% fall in market in a day due to surprise change of govt in 2004



B. Other India Specific Events from 1998 to 2015

- US sanctions after India's nuclear tests, May 1998
- Limited war with Pakistan in Kargil in 1999
- Serious stock market scandal in 2001
- Terrorist attack on Indian parliament in 2001
- 26/11 terrorist attacks in Mumbai
- Corruption cases & arrest of billionaires/ministers / senior bureaucrats in 2011/12
- Back-to-back drought years in 2014 and 2015 (for only the 4th time since 1900)



C. Global Market Crashes and Crises since 1997

- Asian Crisis in 1997
- Russian crisis in 1998 (India has had historically strong trading ties with Russia)
- Bursting of technology bubble in 2000
- 9/11
- Global Financial Crisis in 2008
- Tech sell off, end of QE and rising inflation (since 2022)



D. Recent Key Events Since 2016

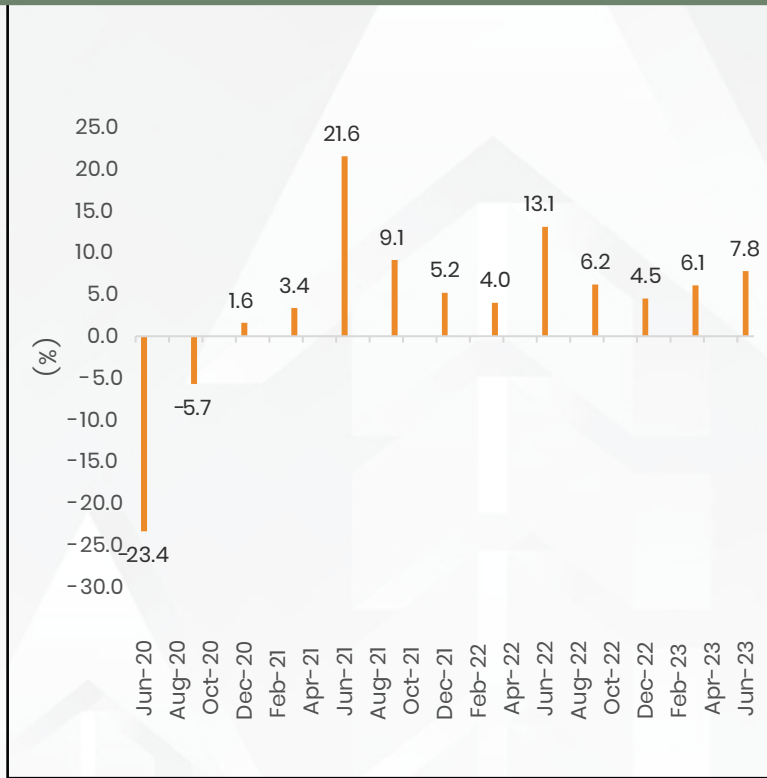
- Demonetization (2016)
- NBFC Crises (2018/2019)
- COVID (2020-2022)
- Lockdowns (2020-2022)
- Rate hikes globally

India: Set-up for outperformance over next 5/10/20 years

India: coming into its own!

- Structural growth, high single digits
- Population of 1.5 bn people! 47% under 25 years old
- Large young workforce (median age 28)
- English speaking, increasingly well educated country
- Demographic dividend
- Democratic governance
- Strong, stable government
- Diplomatically connected, but not aligned to powers
- Business oriented policies
- Constructive taxation and tax reforms
- Digitization and financialization of economy
- Quality central bank and bankers
- Build-up of USD reserves, reducing current a/c deficit
- Domestic capital flows overshadowing foreign capital
- Infrastructure build-out across the country
- Offshoring gains / supply chains, away from China
- Upturn in property and investment cycle
- Economy positioned to cross USD 5tn size by 2027

Indian GDP Growth Remains Strong

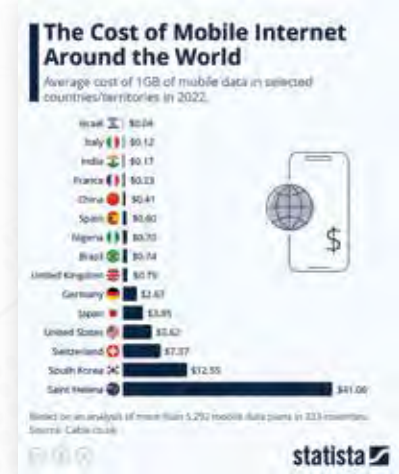


Source: <https://www.mospi.gov.in/dataviz>

Widespread adoption aided by policy and one of the lowest cost of data globally

Digitization in India

1. 3rd cheapest cost of data in the world
2. Per capita consumption of Mobile data in India is more than China plus USA combined
3. 644 million internet users (2nd highest after China)
4. Highest number of users of YouTube (467 million vs. 246 million in USA)
5. Daily number of digital payments via UPI reach 360 million in Feb 2023, up 50% from February 2022
6. Daily volume of digital payments exceed USD 76 billion, up 17% from February 2022



BHIM
BHARAT INTERFACE FOR MONEY

UPI
UNIFIED PAYMENTS INTERFACE

Megatrends: Physical infrastructure build-out

Infrastructure buildout has reduced cost of logistics and travel times, and improved ROC

Infrastructure growth in India – brief highlights

1. Union Budget for 2023-24 has capital outlay for infrastructure at USD 122 billion, an increase of 33% year on year. At 3.3% of GDP, the absolute outlay is 3x that of 2019
2. USD29 billion to be spent on Railways this year, 9x that of 2013-14
3. Airlines: 456,000 flyers per day in May. 37.5 million passengers carried by domestic airlines in first quarter of 2023
4. Road Construction at 42 kms of highways/day



Positive impact on employment, consumption and current account balance

India – diversification of supply chains away from China is already underway

- India now produces 7% of Apple phones, up from 1% in 2021
- Plan is for Apple to be producing 25% of iPhones in India by 2025
- Samsung has its second biggest manufacturing facility and its biggest R&D center in India
- India received USD52 billion of FDI in 2022 (China received USD189 billion)
- India has introduced PLI (Production Linked Incentive) scheme covering mobile manufacturing, auto components, pharmaceuticals, IT hardware, textiles, telecom equipment, medical devices etc. giving incentives of 4% to 6% of value for new production
- Cheap labor, huge domestic market (“Make in India for India” to begin with), government incentives, and infrastructure build-out all converge to position India for an increasingly important role in global supply chains

India, a thriving democracy, is in a strategically advantageous position hugely positive for the economy



India – in a favorable and geopolitically relevant position

- India is undertaking a major geopolitical repositioning, entails pursuing hard-headed national interest based policies
- Well executed diplomatic offensive of current government paying dividends
- Focus on building a strategic partnership with the USA, rather than a formal alliance. Partnership is based on shared interests and mutual cooperation, and entails membership of Quad

“Mr. Kissinger’s model for pragmatic thinking is India..... foreign policy should be based on non-permanent alliances geared to the issues..” (Economist, 20th May 2023)

- As China and USA compete for technological and economic leadership, India is not seen as a threat, but rather a potential counterweight to China
- Simultaneously India is able to maintain its good relationship with Russia, buying oil including over the recent period (note: India’s purchases are a small proportion of EU’s purchases of energy from Russia)
- Net result of these initiatives is greater number of economic and strategic partnerships, further opening up of the country and a greater share of global trade-flows, leading to job creation, poverty alleviation and greater consumption

3. Our Philosophy – Elimination Investing(EI™):

- A** **Eliminating stocks with conviction**, based on (eight) fundamental 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





S&P: Large no. of cos. do well each year, relative to index

This is true of the US, it's also true of any other market, including India (see next page)

1 YEAR DATA	S & P 500 INDEX MEMBERS					# > Index	S&P 500 INDEX
	50th Best	100th Best	150th Best	200th Best	250th Best		
2005	39.9%	27.3%	16.1%	9.1%	4.7%	245	4.9%
2006	42.3%	31.0%	24.1%	18.7%	14.4%	234	15.8%
2007	38.3%	23.7%	14.5%	5.9%	-1.2%	203	5.6%
2008	-8.3%	-18.3%	-26.7%	-33.4%	-39.8%	229	-37.0%
2009	100.0%	68.2%	52.1%	42.8%	33.1%	290	26.4%
2010	53.1%	39.4%	31.2%	23.8%	18.3%	276	15.1%
2011	28.7%	19.2%	13.1%	8.0%	-0.5%	228	2.1%
2012	43.2%	30.6%	23.9%	18.7%	14.6%	229	16.0%
2013	69.1%	57.0%	46.6%	40.0%	34.3%	255	32.4%
2014	40.6%	30.2%	23.8%	19.6%	14.5%	257	13.7%
2015	25.4%	17.4%	10.1%	3.5%	-1.6%	223	1.4%
2016	38.5%	30.3%	23.0%	17.5%	12.8%	254	12.0%
2017	50.2%	39.2%	31.0%	23.7%	17.9%	213	21.8%
2018	19.5%	9.4%	3.6%	-2.6%	-8.2%	218	-4.4%
2019	57.6%	45.6%	39.8%	33.7%	29.1%	227	31.5%
2020	43.7%	30.9%	22.4%	14.1%	8.1%	168	18.4%
2021	62.4%	49.4%	41.1%	33.3%	26.6%	234	28.7%
2022	21.9%	8.9%	0.0%	-6.9%	-13.9%	283	-18.1%
Cumulative	47144.7%	8985.2%	2623.2%	859.7%	259.4%	237 AVG	354.1%

Upto 31-Dec-2022
Absolute Total Returns

Companies are ranked by their returns in each calendar year;
Data up to Dec-2022. Source: Bloomberg/Helios Research

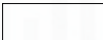
Years with significantly reduced market breadth
/ fewer number of outperforming stocks

India: Large number of cos. do well & 1/3rd do really well

Fundamental screening factors are used to reject poorly run companies and gravitate towards those that outperform over 1Y-3Y periods. Plenty of companies do well each year

	1 YEAR DATA	NSE500 INDEX MEMBERS					# > Index	NSE 500 INDEX
		50th Best	100th Best	150th Best	200th Best	250th Best		
1	2005	149.7%	95.2%	69.8%	49.5%	35.8%	236	38.8%
2	2006	88.8%	52.7%	34.0%	19.4%	5.6%	143	36.2%
3	2007	186.1%	117.1%	86.6%	62.7%	47.6%	194	64.6%
4	2008	-32.0%	-46.3%	-55.4%	-61.6%	-66.0%	157	-56.5%
5	2009	254.4%	194.4%	163.3%	131.6%	105.0%	297	91.1%
6	2010	79.0%	54.8%	38.2%	26.0%	16.9%	257	15.7%
7	2011	5.3%	-9.0%	-17.3%	-25.5%	-34.4%	204	-26.2%
8	2012	97.1%	72.8%	55.3%	43.2%	31.5%	235	34.1%
9	2013	40.6%	18.7%	5.8%	-2.5%	-9.9%	153	5.4%
10	2014	153.9%	102.0%	83.3%	62.9%	44.8%	274	40.0%
11	2015	46.4%	30.4%	18.1%	10.0%	2.2%	260	0.6%
12	2016	46.6%	28.9%	17.2%	9.0%	1.2%	214	5.3%
13	2017	114.6%	79.6%	64.0%	51.6%	39.6%	260	37.7%
14	2018	21.1%	1.6%	-7.9%	-15.8%	-21.9%	120	-2.1%
15	2019	40.0%	18.7%	7.2%	-1.1%	-7.1%	141	9.0%
16	2020	73.7%	52.7%	35.7%	25.4%	14.1%	231	18.3%
17	2021	119.7%	85.0%	63.9%	49.2%	38.3%	279	31.8%
18	2022	51.8%	32.5%	16.3%	7.0%	-2.3%	213	4.4%
Cumulative		1950244.3%	81202.1%	9853.3%	1571.5%	214.2%	215 AVG	1006.6%

Companies are ranked by their returns in each calendar year;
Data up to Dec-2022. Source: Bloomberg/Helios Research

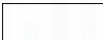
 Years with significantly reduced market breadth / fewer number of outperforming stocks

India: Roughly half underperform & 1/3rd fair poorly each year

Identifiable fundamental factors typically define the underperforming cos. in any 1Y/3Y period.
The process aims to reject these stocks for the long book, and may even look to short

	1 YEAR DATA	NSE500 INDEX MEMBERS				# > Index	NSE 500 INDEX
		300th Best	350th Best	400th Best	450th Best		
1	2005	-3.6%	6.6%	-8.2%	-28.5%	236	38.8%
2	2006	-3.6%	-13.4%	-24.3%	-38.2%	143	36.2%
3	2007	31.6%	15.4%	1.3%	-11.8%	194	64.6%
4	2008	-70.1%	-74.5%	-79.1%	-83.4%	157	-56.5%
5	2009	89.9%	75.8%	60.2%	32.6%	297	91.1%
6	2010	6.6%	-4.3%	-14.1%	-27.9%	257	15.7%
7	2011	-41.4%	-49.6%	-57.2%	-66.7%	204	-26.2%
8	2012	21.5%	11.6%	3.1%	-9.8%	235	34.1%
9	2013	-17.0%	-24.3%	-36.6%	-44.8%	153	5.4%
10	2014	32.7%	20.0%	7.4%	-8.6%	274	40.0%
11	2015	-5.5%	-14.3%	-23.9%	-37.5%	260	0.6%
12	2016	-5.2%	-13.9%	-23.3%	-35.3%	214	5.3%
13	2017	30.9%	20.7%	10.5%	-4.9%	260	37.7%
14	2018	-28.9%	-35.2%	-43.0%	-55.5%	120	-2.1%
15	2019	-14.7%	-24.4%	-33.3%	-50.6%	141	9.0%
16	2020	4.6%	-3.6%	-13.7%	-23.4%	231	18.3%
17	2021	25.7%	15.8%	2.4%	-8.0%	279	31.8%
18	2022	-10.2%	-16.4%	-24.3%	-34.6%	213	4.4%
	Cumulative	-51.2%	-90.5%	-99.0%	-100.0%	215 AVG	1006.6%

Companies are ranked by their returns in each calendar year;
Data up to Dec-2022. Source: Bloomberg/Helios Research

 Years with significantly reduced market breadth
/ fewer number of outperforming stocks

A

- Large number of companies do well each year, relative to index. This is true for any market
- Approximately half do better than the market each year (and over any period), about 1/3rd do really well and 1/3rd do really poorly
- Identifiable fundamental factors typically define the underperforming cos. in any 1Y/3Y period (ignoring technical factor/sector trends/reversals)



- Ensure a large part of the long portfolio is on outperforming side of market
- Reduce probability of owning stocks in the lower half (particularly lower 1/3rd) of market

B

- Permanent loss of capital must be avoided at all costs



- Screen out stocks with potential to permanently derate, stagnate or go to zero

- It is easier to identify what is bad or wrong than to know what is good
- Eliminating the bad significantly increases the chances of arriving at the good, reduces errors, reduces cost of errors
- There is real value in differentiating between good and bad, compared to between good and good
- We therefore first focus on “What Not to Buy” than on “What to Buy”, using a list of “Screening Factors for Elimination”
- Knowing that a large number of stocks do better than the market, we can be liberal in eliminating stocks
e.g. if a company is good but expensive, we will eliminate it for being expensive and if has poor management but cheap valuation we will eliminate it for its management quality
- From universe of stocks that “cannot be eliminated on any factor” we build a portfolio of good cos. and “emerging” good cos.

Via negativa (acting by removing) is more powerful and less error-prone than “via positiva (acting by addition)”
: Nassim Nicholas Taleb in “Skin in the game”

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 Elimination¹:

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”

4. Investment Process

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



Robust investment process requires one to answer the following basic questions:

1. What to BUY?

2. How much to pay
for what you BUY?

3. BUY with what time
horizon?

4. How to know what
will happen in the
medium to long term?

5. When to SELL?

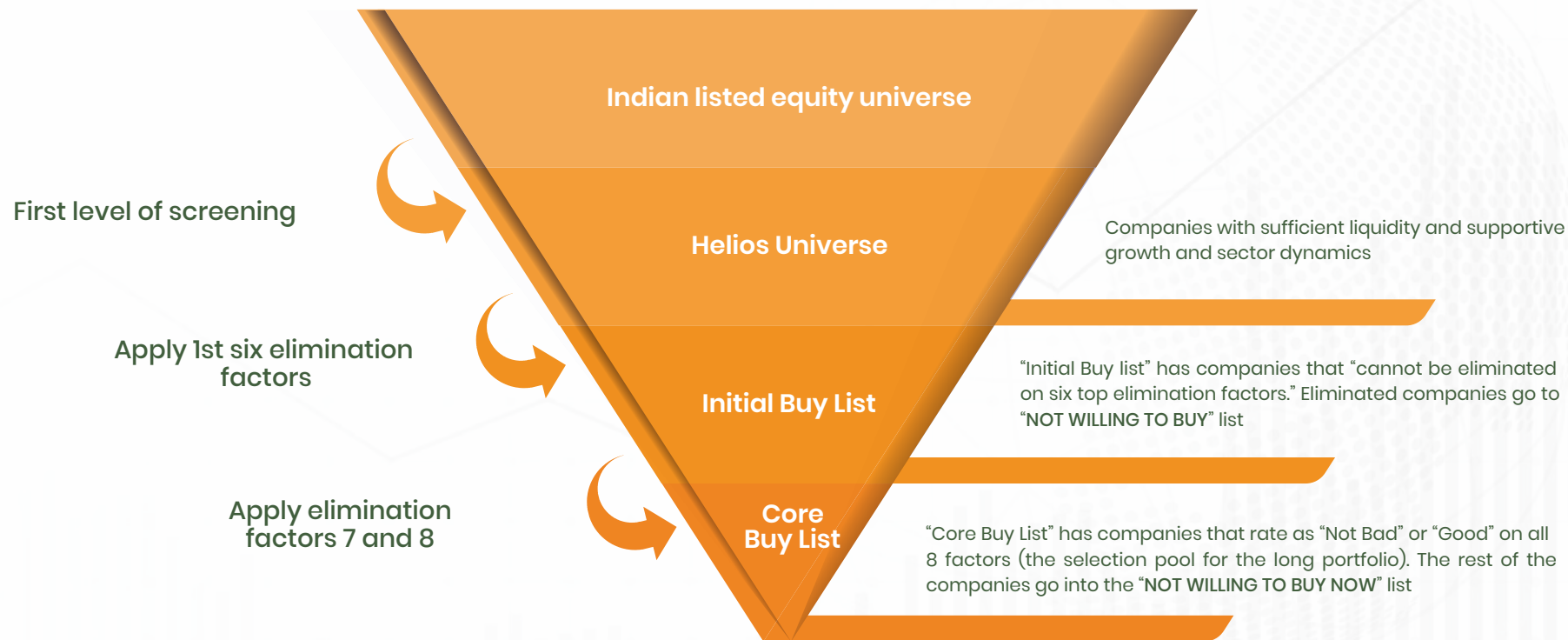
6. How to construct an
all weather portfolio?

7. How to manage the
all weather portfolio
with confidence?



Narrowing the universe to a Core Buy-list

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



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**”



“Emerging” good stocks:

Offer “**Reasonable confidence in high 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

- 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

Time Horizon: How long term a view to initially take on longs?

We believe for long book positions, long term view is a series of “1 to 3 years” short term views



One can visualize industry trends / disruption / company strengths / govt. policies etc. more easily over this horizon



If a company continues to do well, same stocks can be held for another 1-3 years and so on



Longer term winners normally surprise everyone – themselves, their managements and their investors – with their growth/success



Companies that grow to become giants over the long term can generally not be identified well in advance with a high degree of confidence



Buying stocks after screening via our 8 factors has consistently led us to owning many of the long-term winners in the Indian market



Each chosen position is re-underwritten regularly, which entails monitoring key earnings / growth drivers, earnings calls, update of internal research and models, management meetings, etc.

Sell discipline – long positions

- Deterioration in fundamentals or unexpected negative development – normally sold to zero
- Stock significantly outperforms underlying earnings growth over extended period (i.e. reducing upside to price target) – weight trimmed along the way, and/or stock sold completely
- More attractive opportunities elsewhere – weight trimmed or stock sold
- Risk control / limits – stock sold or trimmed
- High valuations are acceptable up to a point for quality companies with structural growth, but we do not believe in “Buy/Hold at any valuation”

5. Case for (Flexi Cap) Market Cap Diversification



The Significance of Diversification

	NIFTY 50 - TRI	Nifty Midcap 150 - TRI	Nifty Smallcap 250 - TRI	NIFTY 500 - TRI
CY 2011	-24%	-32%	-36%	-27%
CY 2012	29%	47%	40%	33%
CY 2013	8%	-1%	-6%	5%
CY 2014	33%	63%	72%	39%
CY 2015	-3%	10%	11%	0%
CY 2016	4%	7%	1%	5%
CY 2017	30%	56%	58%	38%
CY 2018	5%	-13%	-26%	-2%
CY 2019	13%	1%	-7%	9%
CY 2020	16%	26%	26%	18%
CY 2021	26%	48%	63%	32%
CY 2022	6%	4%	-3%	4%
CYTD 2023	9%	28%	30%	13%

	NIFTY 50 - TRI	Nifty Midcap 150 - TRI	Nifty Smallcap 250 - TRI	NIFTY 500 - TRI
FY 2011	12%	5%	1%	8%
FY 2012	-8%	-5%	-9%	-8%
FY 2013	9%	4%	-5%	6%
FY 2014	19%	18%	23%	19%
FY 2015	28%	60%	63%	35%
FY 2016	-8%	-2%	-6%	-7%
FY 2017	20%	37%	41%	26%
FY 2018	12%	17%	13%	13%
FY 2019	16%	-1%	-12%	10%
FY 2020	-25%	-30%	-40%	-27%
FY 2021	73%	102%	119%	78%
FY 2022	20%	25%	37%	22%
FY 2023	1%	3%	-6%	-1%
FYTD 2024	14%	34%	40%	20%

Market Cap Leadership Can Vary Within the Same Calendar Year (CY) and Fiscal Year (FY).
Diversifying Across Market Caps is Crucial for consistency over complete investment cycles.

Diversification a key to consistency

Diversification across market caps helps limit volatility during crises

During Fall					Event	During Recovery				
Market Falling (Peak to Bottom)	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty SmallCap 250 TRI	Nifty 500 TRI		Market Recovery (Bottom to New Peak)	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty SmallCap 250 TRI	Nifty 500 TRI
10-May-06 To 14-Jun-06	-29.72%	-37.97%	-37.65%	-32.42%	Massive Selling leading to Sensex fall	14-Jun-06 To 17-Mar-08	75.38%	68.93%	87.54%	72.61%
17-Mar-08 To 09-Mar-09	-42.19%	-53.22%	-58.69%	-45.20%	Global Financial Crisis	09-Mar-09 To 10-Nov-10	148.41%	253.85%	260.26%	168.87%
10-Jan-13 To 06-Aug-13	-6.29%	-22.37%	-30.87%	-11.62%	Taper Tantrum	06-Aug-13 To 05-Jan-16	44.08%	124.14%	152.20%	61.25%
1-Jan-16 To 26-Feb-16	-11.67%	-16.96%	-22.45%	-13.26%	Global Slowdown	26-Feb-16 To 10-Jan-18	55.12%	100.92%	113.36%	68.56%
17-Feb-20 To 24-Mar-20	-35.06%	-36.34%	-41.98%	-35.46%	Global Pandemic	24-Mar-20 To 17-Jan-22	139.26%	191.17%	257.82%	152.34%
17-Jan-22 To 20-Jun-22	-15.52%	-20.30%	-26.61%	-17.40%	Geopolitical Tensions	20-Jun-22 To 29-Sep-23	29.77%	59.65%	61.73%	35.25%

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.

Sector Performance: An Yearly Rollercoaster

Date	Auto	Bank	Commodities	Energy	Financial services	FMCG	Infrastructure	Media	Metal	Pharma	Private bank	Realty	Services sector
CY 2011	-18%	-32%	-34%	-28%	-29%	10%	-38%	-32%	-48%	-9%	-25%	-51%	-24%
CY 2012	45%	58%	21%	16%	54%	51%	23%	60%	19%	33%	69%	54%	29%
CY 2013	11%	-8%	-7%	2%	-6%	13%	-3%	2%	-12%	27%	-2%	-34%	10%
CY 2014	58%	66%	19%	10%	59%	20%	24%	39%	8%	44%	70%	11%	40%
CY 2015	0%	-9%	-7%	1%	-4%	1%	-8%	11%	-29%	10%	-2%	-14%	-2%
CY 2016	12%	8%	27%	22%	6%	5%	-1%	0%	48%	-14%	8%	-4%	2%
CY 2017	33%	41%	38%	42%	43%	31%	36%	34%	54%	-6%	42%	111%	34%
CY 2018	-22%	7%	-14%	3%	11%	15%	-11%	-25%	-17%	-7%	9%	-33%	10%
CY 2019	-9%	19%	2%	13%	26%	0%	4%	-29%	-10%	-9%	17%	29%	18%
CY 2020	13%	-3%	13%	10%	5%	15%	14%	-8%	18%	62%	-3%	6%	14%
CY 2021	20%	14%	50%	38%	15%	12%	38%	36%	73%	11%	5%	55%	26%
CY 2022	17%	22%	9%	16%	10%	20%	7%	-9%	25%	-11%	22%	-11%	3%
YTD 2023	29.30%	4.60%	9.80%	6.20%	5.30%	18.00%	19.60%	14.10%	2.10%	23.40%	6.50%	33.80%	2.10%

Sectors experience cyclical trends, and therefore, having a sector bias during portfolio construction might not necessarily lead to favorable yields.

However, implementing an elimination-first strategy can aid in early removal of underperforming sectors basis macro analysis.

Changing Tides: Yearly Fluctuations in Investment Styles

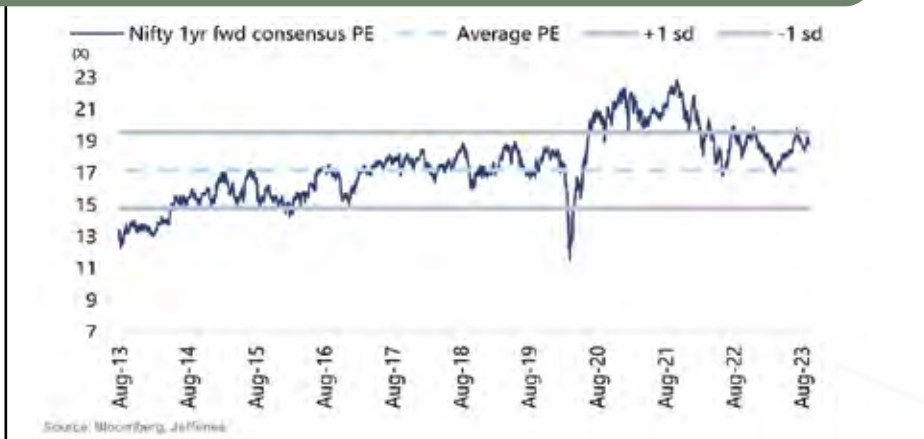
CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CYTD 2023
Value 107.04%	Quality - 45.95%	Value 133.05%	Value 30.93%	Low Volatility - 11.54%	Alpha 50.64%	Low Volatility 17.47%	Value 78.89%	Alpha 14.72%	Value 25.07%	Alpha 67.02%	Low Volatility 6.82%	Nifty 50 12.02%	Alpha 51.75%	Alpha 74.45%	Value 23.16%	Value 30.87%
Momentum 97.97%	Low Volatility - 50.82%	Low Volatility 127.16%	Quality 27.28%	Momentum 16.07%	Momentum 38.80%	Momentum 12.89%	Alpha 68.00%	Momentum 10.85%	Momentum 9.56%	Momentum 57.46%	Nifty 50 3.16%	Momentum 10.55%	Low Volatility 24.36%	Value 56.37%	Nifty 50 4.33%	Alpha 22.94%
Alpha 96.70%	Nifty 50 - 51.80%	Quality 93.17%	Low Volatility 26.26%	Quality - 19.19%	Quality 32.23%	Nifty 50 6.76%	Momentum 49.56%	Quality 8.79%	Quality 3.65%	Value 47.02%	Quality - 0.52%	Alpha 7.22%	Quality 23.96%	Momentum 53.81%	Quality - 0.11%	Momentum 20.14%
Nifty 50 53.18%	Value - 56.68%	Alpha 85.56%	Momentum 19.75%	Alpha - 21.80%	Value 32.11%	Quality 3.43%	Quality 43.30%	Low Volatility 0.88%	Nifty 50 3.01%	Quality 30.21%	Momentum 1.66%	Quality 5.06%	Momentum 19.95%	Nifty 50 24.12%	Momentum 5.45%	Low Volatility 15.37%
Low Volatility 46.96%	Momentum 60.04%	Nifty 50 75.76%	Nifty 50 17.95%	Nifty 50 - 24.62%	Low Volatility 28.93%	Alpha 2.91%	Low Volatility 38.12%	Nifty 50 - 4.06%	Low Volatility - 0.57%	Nifty 50 28.64%	Alpha - 14.49%	Low Volatility 3.91%	Nifty 50 14.90%	Low Volatility 23.77%	Low Volatility - 6.32%	Quality 14.95%
Quality 37.83%	Alpha - 73.68%	Momentum 69.34%	Alpha 16.97%	Value - 37.72%	Nifty 50 27.70%	Value - 13.99%	Nifty 50 31.39%	Value - 7.17%	Alpha - 10.17%	Low Volatility 27.80%	Value - 26.17%	Value - 13.70%	Value 8.47%	Quality 22.42%	Alpha - 14.22%	Nifty 50 8.47%

A robust investment philosophy should naturally possess the adaptability to withstand shifts in return profiles associated with different investment styles- Elimination Investing (EI™) addresses this flaw

Valuations: Near 10-year historical average levels

PE and premium to Asia Ex Japan at historical avg. as earnings have caught up with valuations

Nifty – one year forward PE



Nifty – PE premium to MSCI AC Asia ex-Japan



Valuations: at premium for a reason – high growth, high ROE

India has a high-quality opportunity set across sectors (both structural growth and cyclicals)

Distribution of sectors across MSCI Country Benchmarks

EM (EMERGING MARKETS)	CHINA	INDIA	TAIWAN	KOREA	BRAZIL	SAUDI ARABIA	SOUTH AFRICA	MEXICO	INDONESIA	THAILAND	EM Overall
Global cyclical sectors											
ENERGY	3.1%	10.6%	0.3%	1.4%	21.3%	9.5%	1.1%	0.0%	4.2%	15.2%	5.2%
MATERIALS	3.4%	8.6%	4.7%	9.5%	18.5%	21.5%	22.0%	17.9%	8.1%	9.2%	8.0%
	6.5%	19.1%	5.0%	10.9%	39.8%	31.0%	23.2%	17.9%	12.3%	24.4%	13.2%
Steady growth businesses											
FINANCIALS	15.9%	27.2%	14.2%	9.2%	25.8%	44.1%	36.7%	16.9%	57.4%	7.5%	22.2%
CONSUMER STAPLES	5.5%	9.0%	1.6%	2.2%	8.3%	3.1%	8.6%	38.7%	8.4%	12.7%	6.2%
CONSUMER DISCRETIONARY	30.4%	11.4%	2.2%	8.6%	2.4%	0.8%	18.6%	0.0%	3.6%	7.5%	13.7%
HEALTH CARE	5.6%	5.1%	0.3%	4.5%	3.0%	3.5%	1.7%	0.0%	1.9%	10.1%	3.7%
	57.3%	52.7%	18.2%	24.5%	39.4%	51.5%	65.7%	55.6%	71.3%	37.8%	45.8%
Other businesses											
INFORMATION TECHNOLOGY	5.7%	13.5%	71.5%	46.0%	0.8%	2.5%	0.0%	0.0%	0.0%	7.2%	20.4%
COMMUNICATION SERVICES	20.0%	2.7%	2.3%	5.9%	1.8%	10.3%	6.8%	11.5%	10.2%	9.3%	9.5%
UTILITIES	2.3%	4.0%	0.0%	0.4%	9.3%	3.9%	0.0%	0.0%	0.0%	7.7%	2.6%
INDUSTRIALS	5.3%	7.3%	2.8%	12.3%	8.9%	0.0%	2.1%	12.1%	6.3%	9.3%	6.7%
REAL ESTATE	2.9%	0.6%	0.2%	0.0%	0.0%	0.8%	2.3%	2.8%	0.0%	4.4%	1.7%
	36.1%	28.1%	76.8%	64.6%	20.7%	17.5%	11.2%	26.5%	16.5%	37.8%	41.0%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: RIMES, Morgan Stanley Research;

- Composition of MSCI India index explains its higher valuation compared to countries like Taiwan and Korea, that have large weighting of capex / asset heavy technology hardware businesses, many of which are dependent on limited number of large customers, and that are more cyclical in nature
- By comparison, India has services oriented businesses in its IT sector, a more balanced representation of sectors across cyclical and those that are more structurally driven, higher ROE companies, and higher valued subsidiaries of MNCs
- India's balanced universe of sectors/companies comprises high quality financials, IT software (not hardware), consumer, healthcare, as well as many listed subsidiaries of multi-national corporations (MNCs)

6. Presenting Helios Flexi Cap Fund

(An open-ended dynamic equity scheme investing across large cap, mid cap and small cap stocks)



- Follows Elimination Investing (EI™) philosophy
- Style-agnostic approach adaptable to various market environments aims consistency
- Inherent risk mitigation through diversification and rigorous company screening
- Endeavours to deliver a true to label flexi cap fund to investors by tactically adjusting its portfolio across market capitalizations





Diversified Portfolio Seekers:

Investors who want a diversified portfolio with exposure to companies across market capitalizations.



Long-Term Wealth Creation:

Savvy investors with a goal of long-term wealth creation who value flexibility in asset allocation.



SIP Corpus Building:

Ideal for those looking to build a corpus systematically through SIP (Systematic Investment Plan) investments.





Young Investors with High-Risk Appetite:

Young investors with a long-term investment horizon and a higher risk appetite, as flexi cap funds offer potential for capital appreciation over time.

Helios Flexi Cap Fund Details

Type of Scheme	An open-ended dynamic equity scheme investing across large cap, mid cap & small cap stocks
Benchmark	NIFTY 500 TRI
Fund Managers	Alok Bahl and Apurva Sharma
Investment Objectives	To generate long-term capital appreciation by investing predominantly in equity & equity related instruments across market capitalization. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved.
Asset Allocation	Equity & Equity related instruments of large cap, mid cap and small cap companies: 65% to 100%; Debt Securities & Money Market instruments (including Cash & cash equivalents, TREPS): 0% to 35%; Units issued by REITs and INVITs: 0% to 10%; and Units of Mutual Fund Scheme 0% to 5%
	The scheme also has provisions to invest in foreign securities upto 35% of the AUM (subject to the conditions stated in the SID) and upto 45% of the equity component of the AUM in equity derivatives.
Liquidity	Units of the Scheme may be purchased or redeemed on all Business Days at NAV based prices subject to the prevailing load structure
Exit Load	i. If units are 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 are redeemed or switched out are over and above the limit (shown above) within 3 months from the date of allotment – 1% of the applicable NAV
	iii. If units are redeemed/switched out after 3 months from the date of allotment – Nil
Plans and Options	Direct and Regular Plan, each with Growth and IDCW Option
Minimum Investment Amount (lumpsum)	Lumpsum investment: Rs. 5,000 and in multiples of Re. 1 thereafter
Minimum Additional Subscription Amount (lumpsum)	Rs 1,000/- per application and in multiples of Re. 1/- thereafter
Minimum Redemption Amount	“Any amount” or “any number of units” as requested by the investor at the time of redemption
Special Facilities Available	Systematic Investment Plan (SIP); SIP TOP UP Facility; SIP PAUSE FACILITY; Micro Systematic
	Investment Plan (Micro SIP); SYSTEMATIC TRANSFER PLAN (STP); Value STP; Flex STP; SYSTEMATIC WITHDRAWAL PLAN (SWP)
Further Information and Downloads	For further details, please refer to the Scheme Information Document (SID), Key Information Memorandum (KIM) and Statement of Additional Information (SAI). Copies of these documents are also available at www.heliosmf.in

Product Labelling and Risk-O-meter

Scheme Name	Scheme Risk-o-meter#	Benchmark (NIFTY 500 TRI) Risk-o-meter
Helios Flexi Cap Fund (An open-ended dynamic equity scheme investing across large cap, mid cap & small cap stocks) This product is suitable for investors who are seeking*: <ul style="list-style-type: none"> Long term wealth creation Investment predominantly in equity and equity related instruments across large cap, mid cap and small cap stocks 	 <p>Investors understand that their principal will be at Very High Risk</p>	 <p>Benchmark Riskometer is at Very High Risk</p>

*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

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



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