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MIDCAPS: WHERE YOUNG GIANTS TAKE FLIGHT

Helios Mid Cap Fund

(Mid Cap Fund - An open-ended equity scheme predominantly investing in mid cap stocks).

NFO Opens On: **20 February, 2025** | NFO Closes On: **06 March, 2025**

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Overview and Team

Helios Group: India Equity Specialists With Track Record Since 2005

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Business Strength
- Established in 2005
- Present across India and Singapore
- 80+ Members' strong team

Robust Performance
- Registered with MAS and SEBI
- 19+ years track record of flagship fund Helios Strategic Fund - Singapore

Experienced Team
- Founder's Investing Experience 30+ years
- Long tenure of senior team at Helios

Investor Centric
- Differentiated investment philosophy
- Transparent
- Team investment and alignment

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.

The Visionary Behind Helios

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Samir C. Arora
The Founder

Education

- B.Tech, Indian Institute of Technology, New Delhi (1983)
- MBA (gold medalist), Indian Institute of Management, Calcutta, (1985)
- Master's in Finance, Wharton School, University of Pennsylvania (1992) Recipient of Dean's scholarship for distinguished merit

Professional Journey

- 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
- 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
- 1998-2003: Head of Asian Emerging Markets, Alliance Capital Management Singapore. Responsible for fund management and research, covering 9 Asian markets

Awards and honors

- Alliance Capital Recognition : Received over 15 industry accolades, including a distinguished AAA rating from Standard & Poor's Micropal for the India Liberalization Fund (1999-2003).
- Industry Accolade : Honored as the Most Astute Equity Investor in Singapore by The Asset magazine in 2002.
- Product Accolades : 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 & 2024 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

Social Initiatives

- 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

Leadership Team – Driving The Vision

Dinshaw Irani

CEO
Helios India
Overall experience: **33 Years**

At Helios India & Artemis Advisors: 19 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
Overall experience: **27 Years**

At Helios India & Artemis: Advisors: 17 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
Overall experience: **33 Years**

At Helios Singapore: & India: 19 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: **20 Years**

At Helios India :
4 Years

Prior Experience:

- Head Sales & Business Development, PMS & AIF at ICICI Prudential Asset Management Company.
- Aditya Birla Sun life Asset Management Company
- HSBC Asset Management Company.

Education

Master's in Financial Markets & Investments -France, MBA in Marketing

Kiran Deshpande

COO & CFO,
Helios India
Overall experience: **35 Years**

At Helios India :
2 Years

Prior Experience:

- COO & CFO at Baroda Asset Management Company
- COO at Deutsche Asset Management Company
- Associated with Aditya Birla Sun Life Asset Management Company

Education

Cost & Management Accountant, Company Secretary, Masters in IM

Abhinav Khemani

Chief Compliance Officer,
Helios India
Overall experience: **19 Years**

At Helios India
~2 Years

- **Prior Experience:**
- HSBC Asset Management Company,
- Aditya Birla Sun Life Asset Management Company,
- Tata Asset Management Company
- SBI Asset Management Company

Education

Chartered Accountant, B. Com

CEO & Senior Investment team members have **30+ years experience in direct India investing**

India Story On The Rise

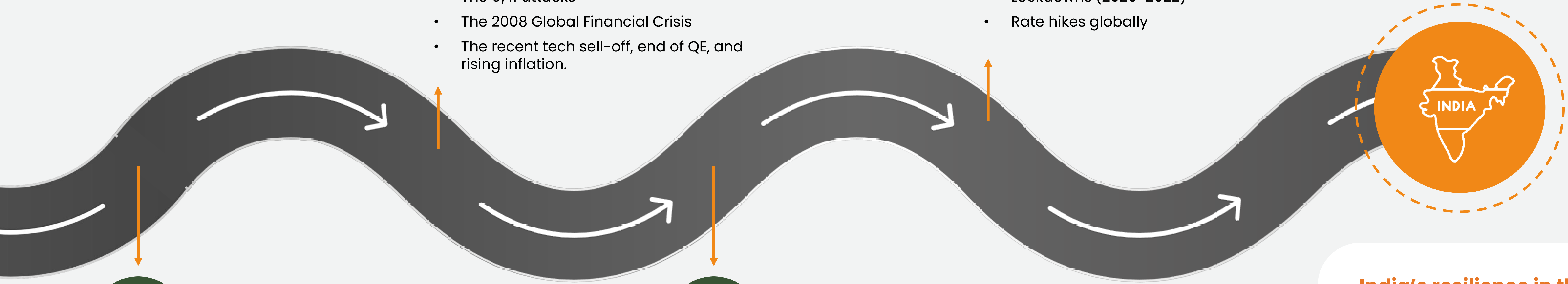
India's Resilience: A Beacon in Turbulent Times

Global Market Crises

- Asian crisis of 1997
- The Russian crisis of 1998
- The dot-com bubble burst of 2000
- The 9/11 attacks
- The 2008 Global Financial Crisis
- The recent tech sell-off, end of QE, and rising inflation.

Highlights Since 2016

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



Domestic political uncertainty

- Frequent government changes (8 coalitions, 3 governments in 2 years)
- Short-lived governments (13-day government in 1996)
- Lesser-known Prime Ministers (H.D. Deve Gowda, I.K. Gujral)
- Significant market volatility (17% drop in a day due to 2004 government change)

Key Events: India (1998-2015)

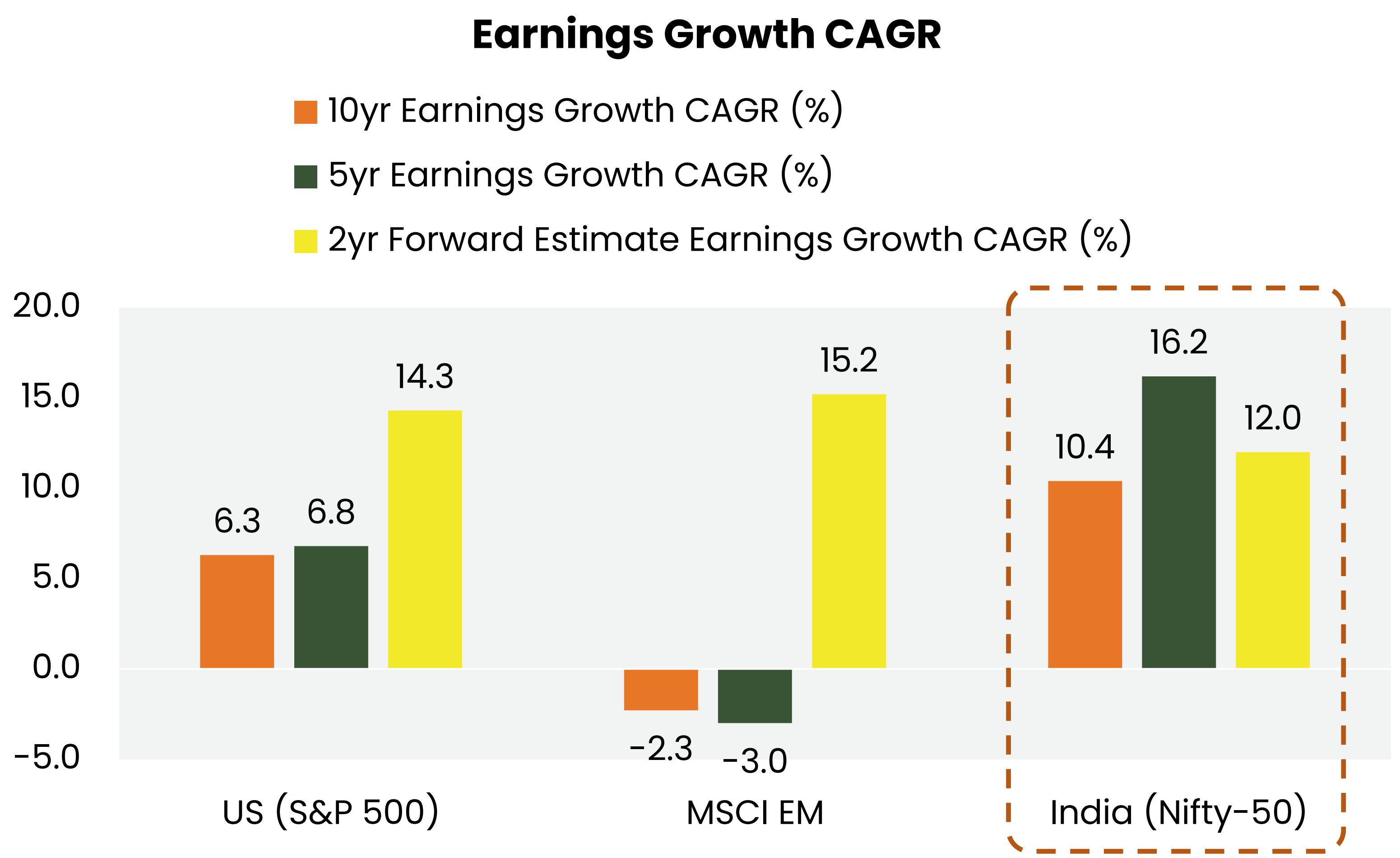
- US sanctions post-nuclear tests (1998),
- Kargil War (1999),
- Stock market scandal (2001)
- Parliament attack (2001)
- 26/11 Mumbai attacks
- Corruption scandals & arrests (2011/12)
- Back-to-back droughts (2014-2015)

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

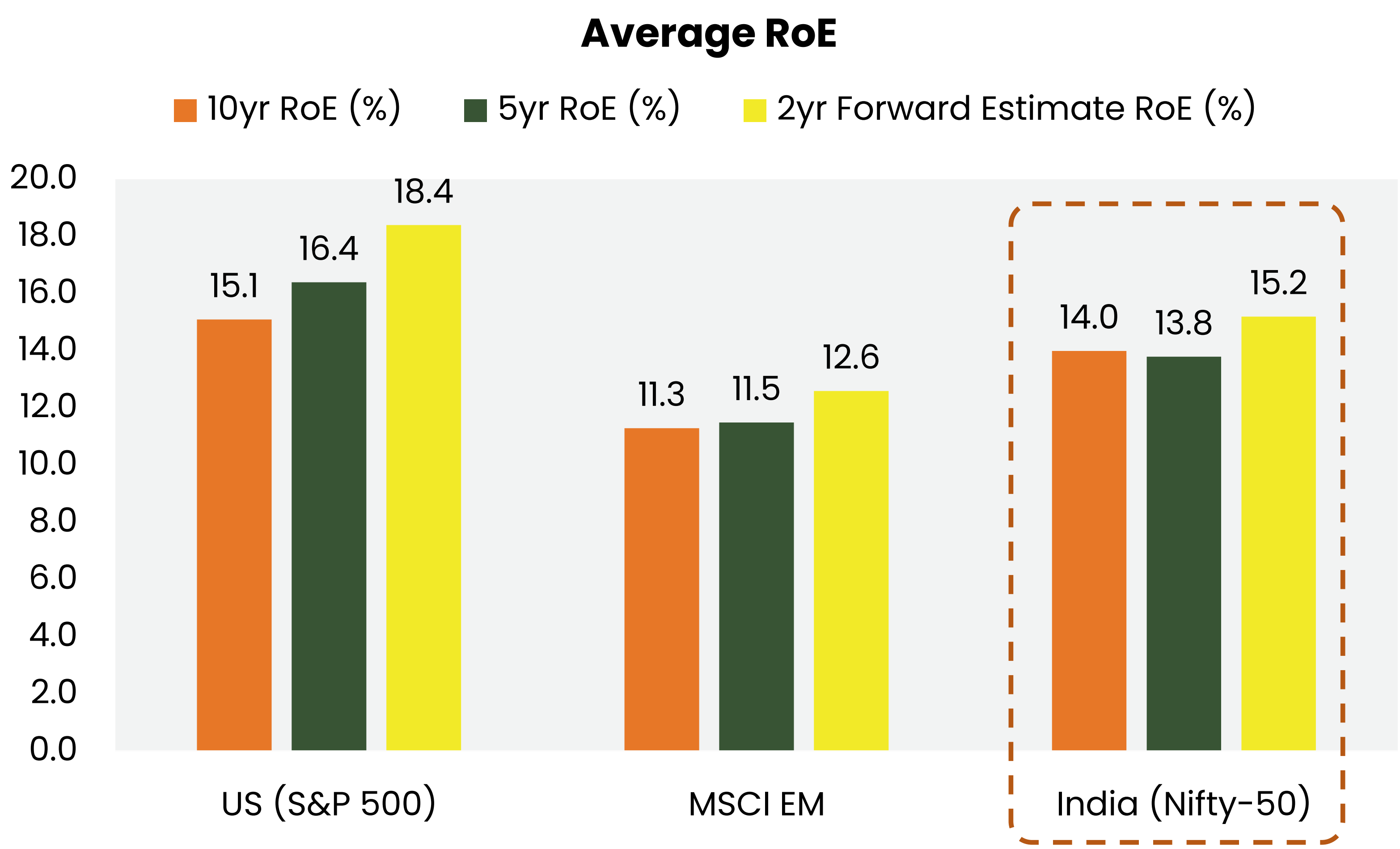
Map is for general illustration only,and is not intended to be used for reference purposes. The representation of political boundaries does not necessarily reflect the position of the Government of India on international issues of recognition, sovereignty or jurisdiction.

Growth Story Powered By Consistency And Robust RoE

Earnings Growth CAGR



Average RoE



- **India vs US**: India's **multiple at 10% discount** to US (vs. LT avg of 1% premium).
- **India vs. EMs**: Multiple at **66% premium** vs. 5-year average of 58%, justified by better RoE & consistent growth

Source: DAM capital, Internal Research | Data as on 07 January, 2025

Other Growth Drivers

THE DEMOGRAPHIC SHIFT

68% of India's population is young and 55% of its population was in the age group of 20-59 in the year 2020 and is estimated to reach 56% of the total population by 2025.

VISION 2047

Sound government with focus on making India a **developed nation by 2047**, various schemes like easy loans to MSMEs, PLI scheme, push for better infrastructure, Make in India would assist the economy on this path.

DIGITIZATION BOOM

India's **digitalization stands strong with paradigm shifting innovations like UPI** amidst those of developed nations like the UK, Germany, and Japan. The consumption too is staggering with 954 million+ internet users as of April 2024

GEOPOLITICS ADVANTAGE

India enjoys **more economic and strategic partnerships,** increased integration into global trade flows, along with perks of de-dollarization & China +1 wave.

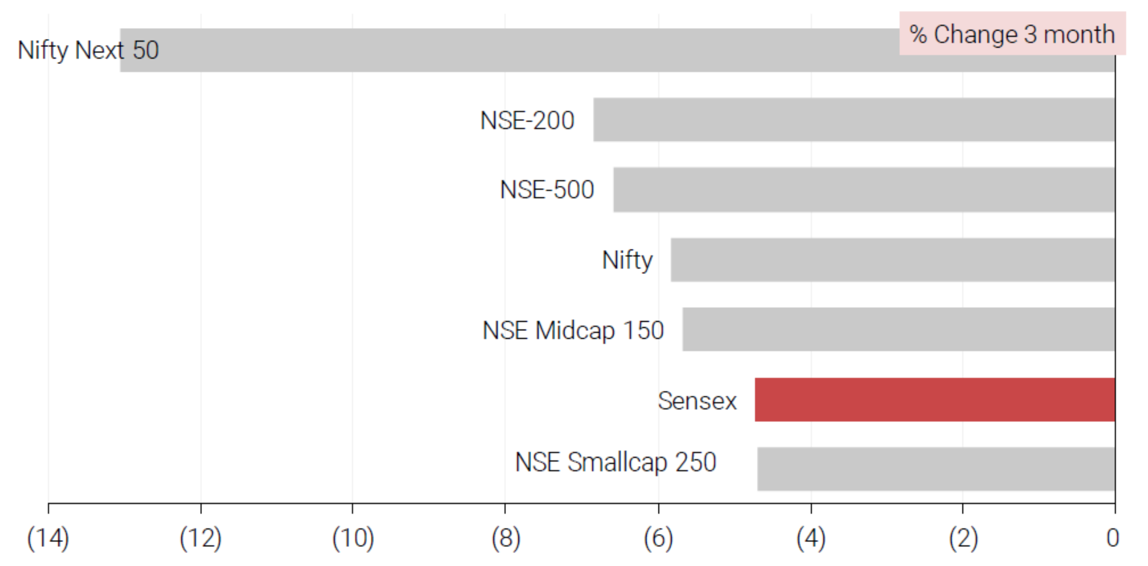
Balancing growth drivers (Union Budget 2025-26)

- Reduction in the tax burden under the new tax regime expected to give a leg-up to household consumption & household savings
- Exports face headwinds from tariff hikes initiated by the US
- Credit guarantee scheme for specified exporter MSMEs on term loans of up to Rs 20 crore
- On an on-year basis, growth in budgetary capex is higher, it is now expanding apace with GDP and maintaining its share.
- Light-touch regulatory framework to unleash productivity and employment and facilitate ease of doing business in the country
- Increased focus on employment and skilling can help raise consumption in a sustainable manner

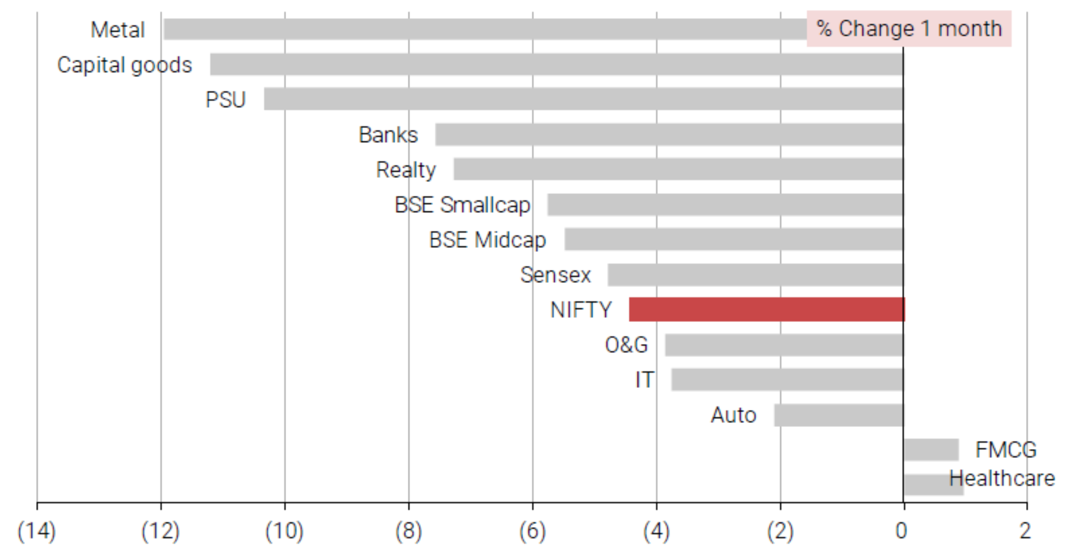
Source: www.investindia.gov.in | Internal Research | Union Budget 2025-26

Market Meltdown: Recent Corrections

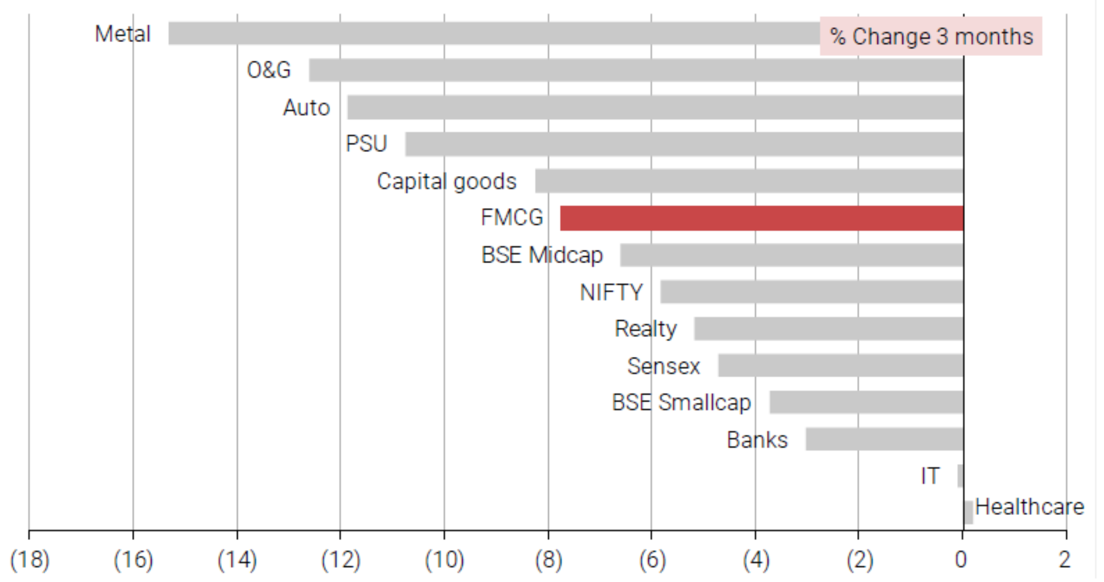
Performance of major Indian indices (%)



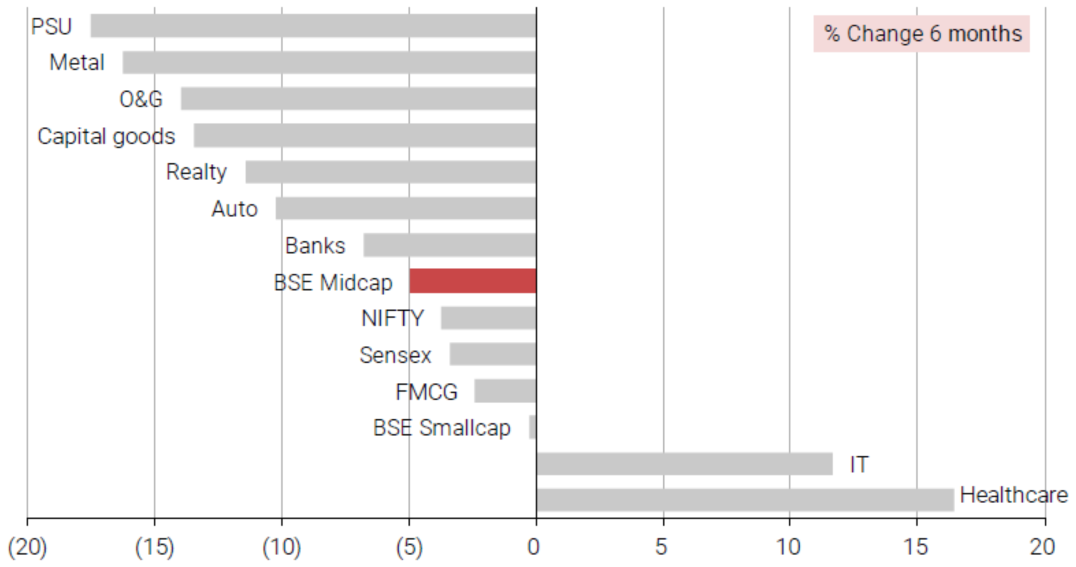
Performance of various sectors (%) in the last 1 month



Performance of various sectors (%) in the last 3 months



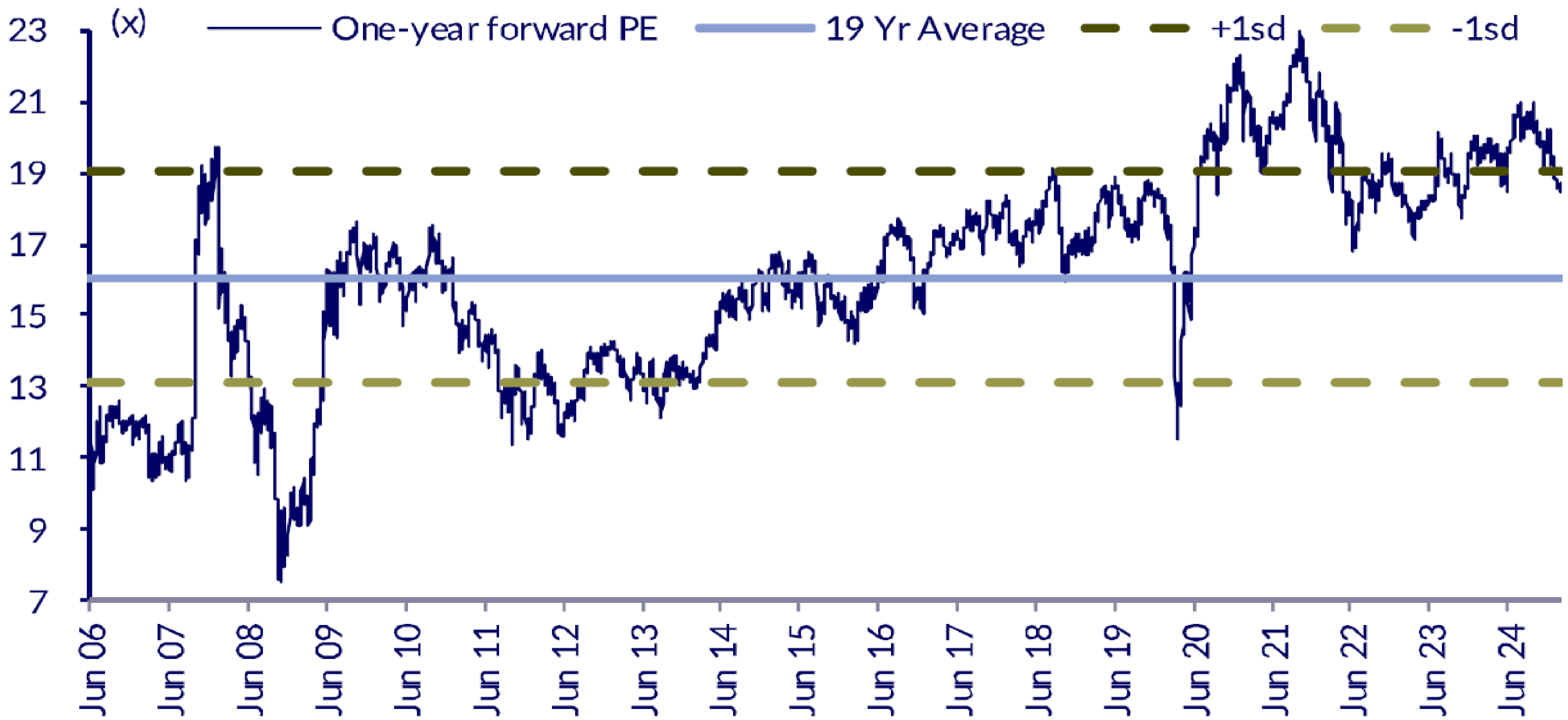
Performance of various sectors (%) in the last 6 months



Source: Bloomberg, Kotak Institutional Equities, 31 January, 2025 | The sector(s) mentioned in this slide do not constitute any recommendation and Helios Mutual Fund may or may not have any future positions in these sector(s). Historic Performance for understanding purpose only. **Past performance may or may not sustain in future and is not a guarantee of any future returns. Index/Sector performance does not signify scheme performance.**

Current vs. Historical Nifty Valuation

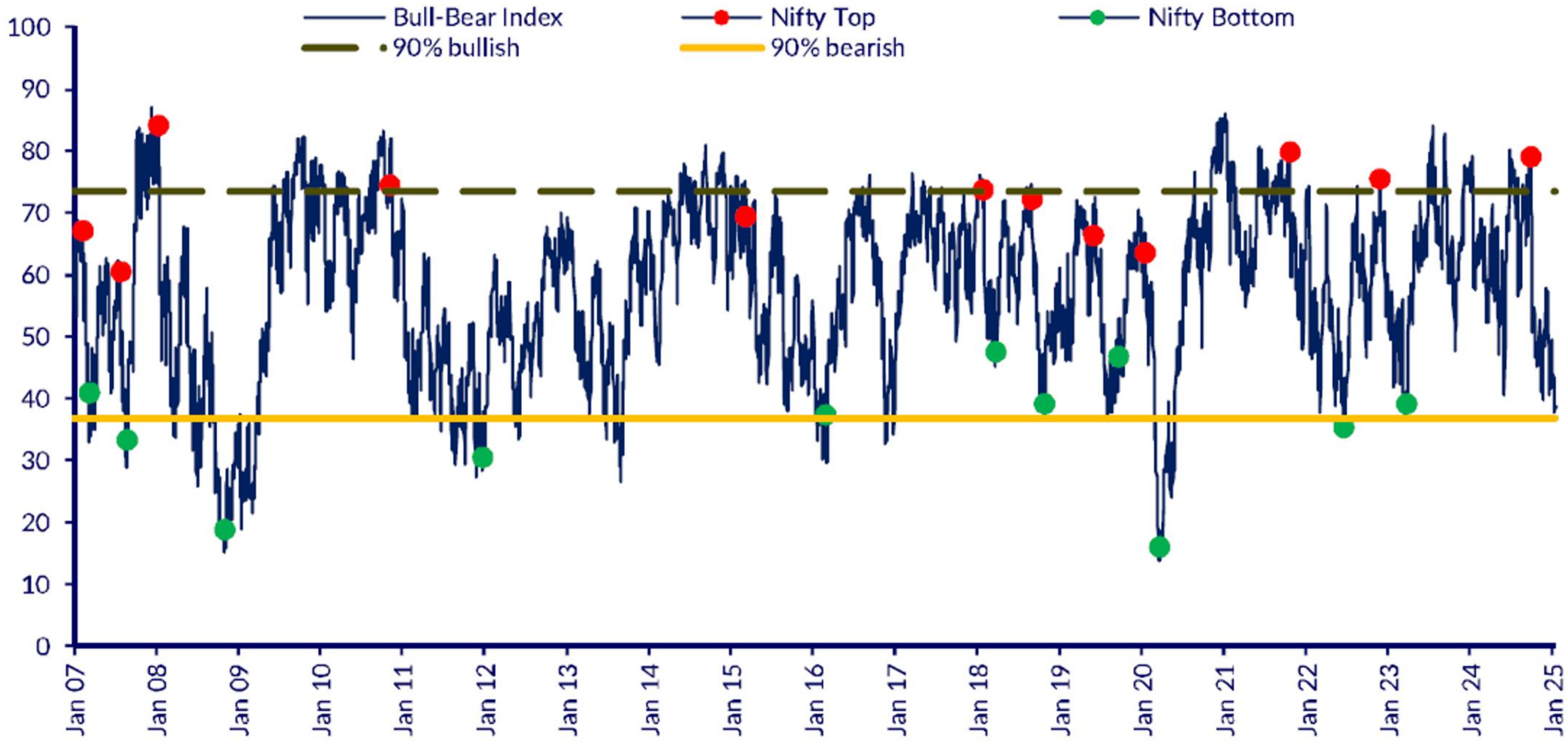
Nifty one-year forward PE



The **Nifty's 12-month forward PE** fell to 18.8x and is now **trading at a 16% premium** to its long-term average.

Source: Bloomberg, CLSA | Data as on 31 January, 2025

The India Bull-bear Index In The Extreme Bearish Zone

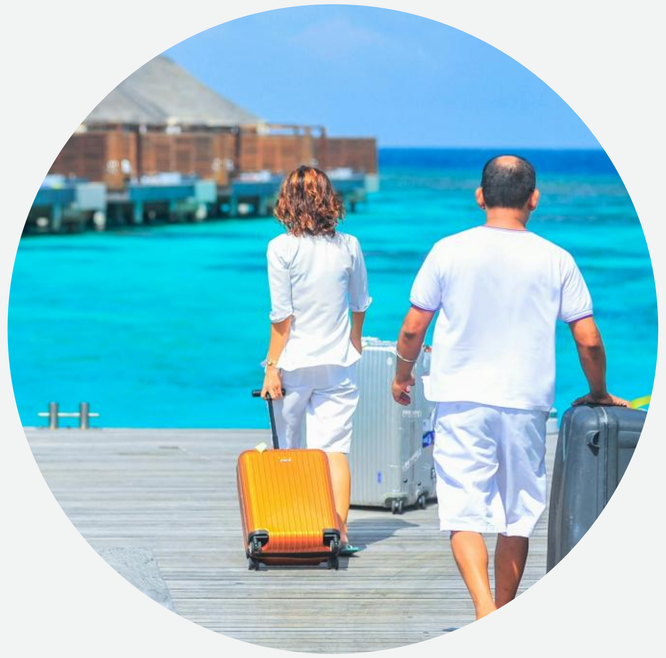


This discrepancy warrants careful consideration and may **indicate potential for a market reversal**.

Source: Bloomberg, CLSA | Data as on 31 January, 2025

What Lies Ahead?

India's growth has been propelled by **key sectors** like **BFSI, IT**, and **Energy & Commodities**. However, our **evolving economy** is creating numerous high-growth opportunities beyond these core areas, including **smaller cities, renewable energy, electronics manufacturing services, textiles, real estate, consumer services (especially digital), tourism, and diverse capital goods sub-sectors**, which are better reflected in the performance of small and mid-sized companies.



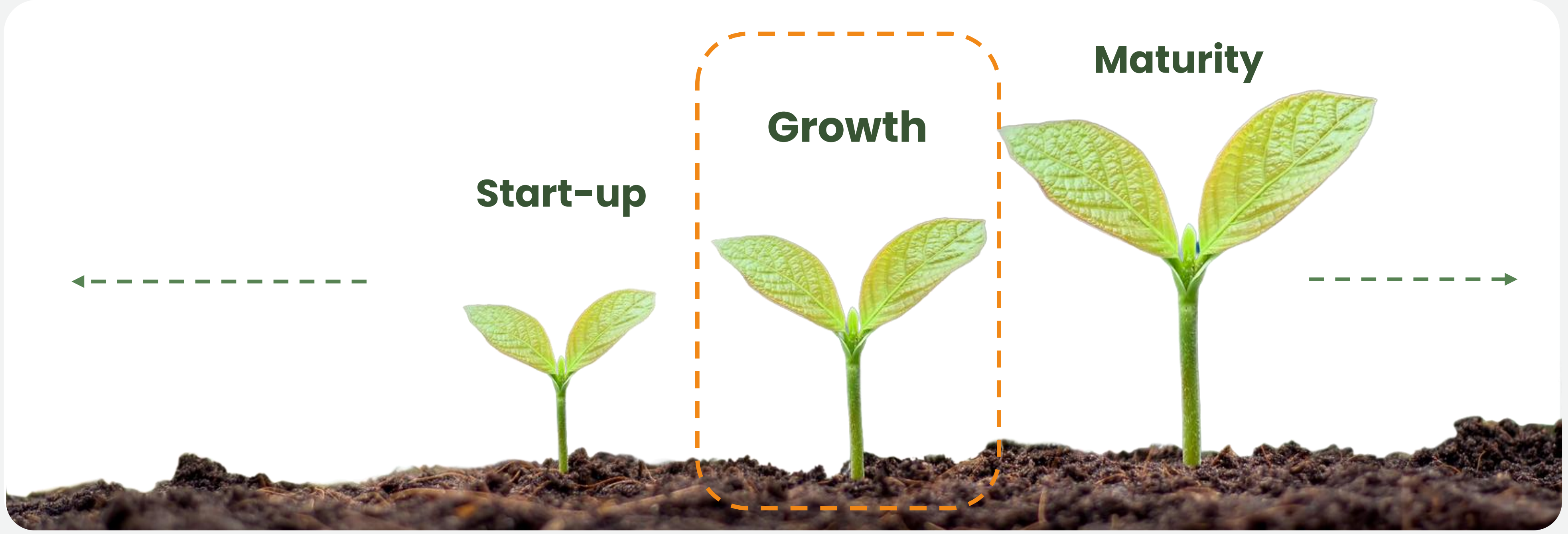
Source: Dam Capital | Internal Research | As on 31 January, 2025

How To Spot The Growth Opportunity Amidst All Of This?

Midcaps: The Sweet (Growth) Spot

Smallcap stocks

- Maximum potential for growth
- Relatively higher volatility



Largecap stocks

- Well-established businesses
- Slow but steady growth of the company

Midcap stocks : The sweet spot seeking blend of growth and stability

- ➢ Navigated early challenges of a start-up phase
- ➢ Relatively aggressive growing companies

Often Undervalued
Due to limited research and ownership, Midcap stocks may present attractive investment opportunities

Unique Positioning
Midcaps bridge the gap between small, developing companies and large, mature ones.

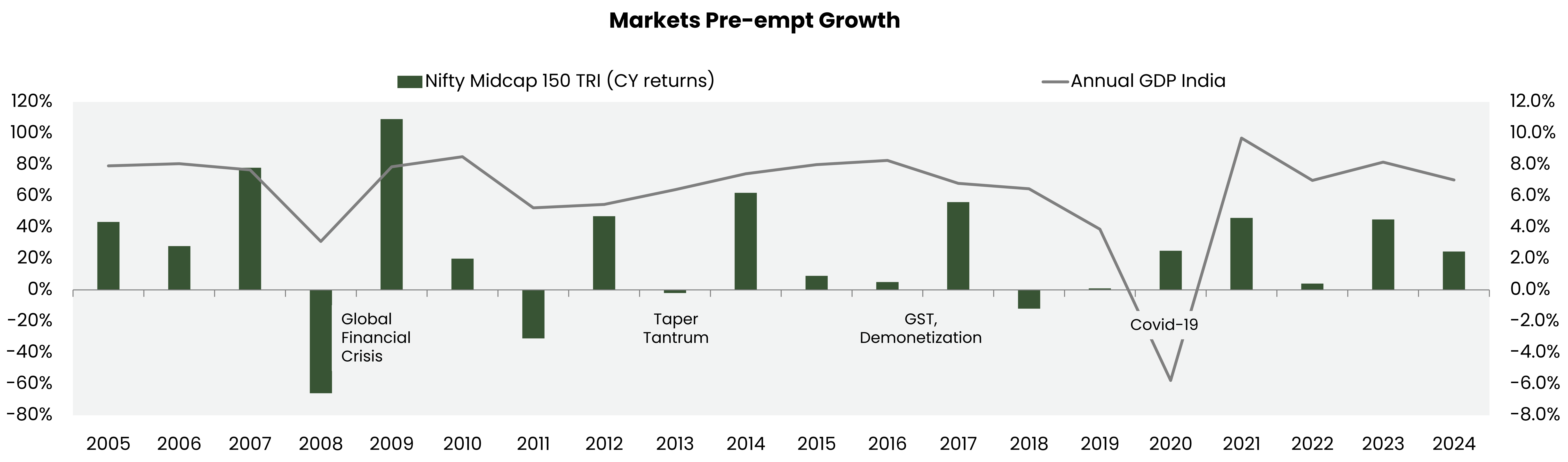
Maturity Advantage
As "graduated" Smallcaps, midcaps have better corporate governance, easier access to funding, and enhanced brand recognition.

Growth Phase
Midcaps often exhibit higher growth rates in cash flows and earnings compared to Largecaps

As per AMFI , Marlet Cap Categorization is as following: Largecaps : 1st to 100th company, midcaps: 101st to 250th company & Smallcaps 251st company onwards

Capturing Growth Potential in a Dynamic Market Environment

Economic Recovery & Growth Phase: Midcap companies are well-positioned to benefit from economic recovery and emerging growth cycles.



Markets factor in future growth, thus a **volatile time is an ideal one** for investing; **especially in Midcaps**

Source: Investing.com, NSE, Internal Research and calculations | Calendar Year (CY): from Jan 01st to December 31st every year. CY 2005 = 1st April 2005 to 31st December 2005. Above Index performance represents the actual historic performance and the same is presented for understanding purpose only. Past performance may or may not be sustained in future and is not a guarantee of any future returns. **Index performance does not signify scheme performance.** Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 31/05/24) for Sensex is 12.62%, for Nifty 50 is 12.42% and Nifty 500 is 12.80% (Source: AMFI).

Midcap: The Goldilocks of Equity Investing

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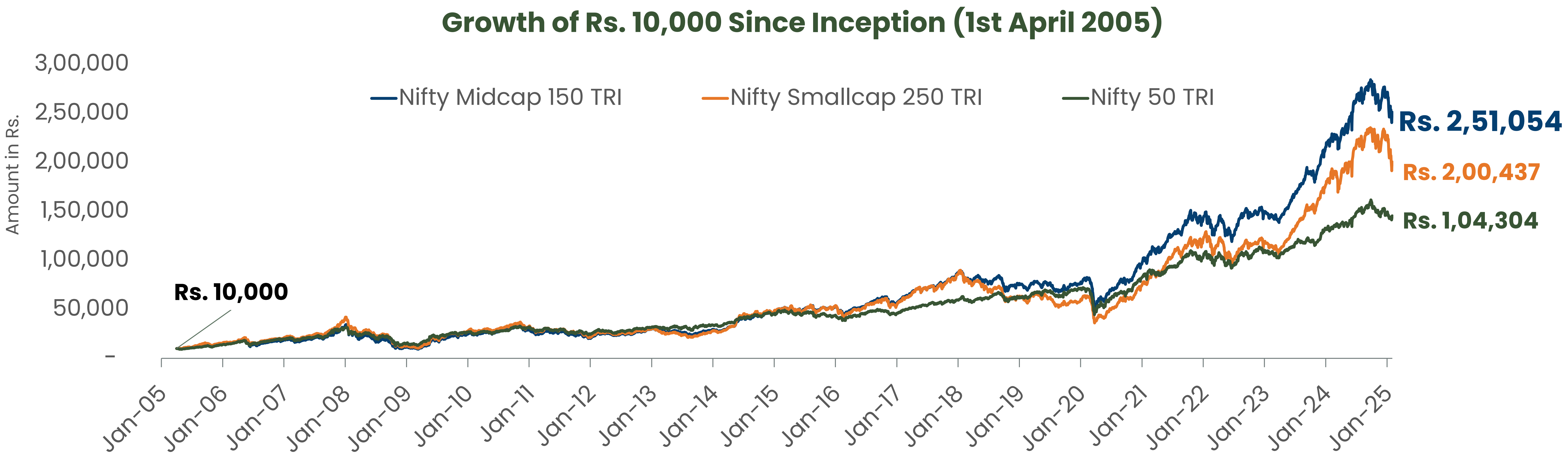
Index	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CYTD 2025	CAGR
Nifty 50 TRI	55%	42%	57%	-50%	73%	19%	-24%	30%	7%	33%	-3%	4%	29%	6%	13%	16%	25%	6%	21%	10%	-0.4%	**14%**
Nifty Midcap 150 TRI	43%	28%	78%	-66%	109%	20%	-31%	47%	-2%	62%	9%	5%	56%	-12%	1%	25%	46%	4%	45%	24%	-6%	**18%**
Nifty Smallcap 250 TRI	56%	33%	97%	-69%	111%	18%	-35%	40%	-8%	69%	10%	1%	58%	-27%	-8%	26%	61%	-3%	49%	27%	-11%	**16%**

While Largecaps may offer stability and Smallcaps carry high growth potential,
Midcaps have historically demonstrated superior long-term returns.

Source : ACEMF and Internal Research. Past performance may not be sustained in the future and does not guarantee any future returns Calendar Year (CY): from Jan 01st to December 31st every year. CY 2005 = 1st April 2005 to 31st December 2005. Above Index performance represents the actual historic performance of the respective Index and the same is presented for understanding purpose only. Past performance may or may not be sustained in future and is not a guarantee of any future returns. **Index performance does not signify scheme performance |** Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 31/05/24) for Sensex is 12.62%, for Nifty 50 is 12.42% and Nifty 500 is 12.80% (Source: AMFI).

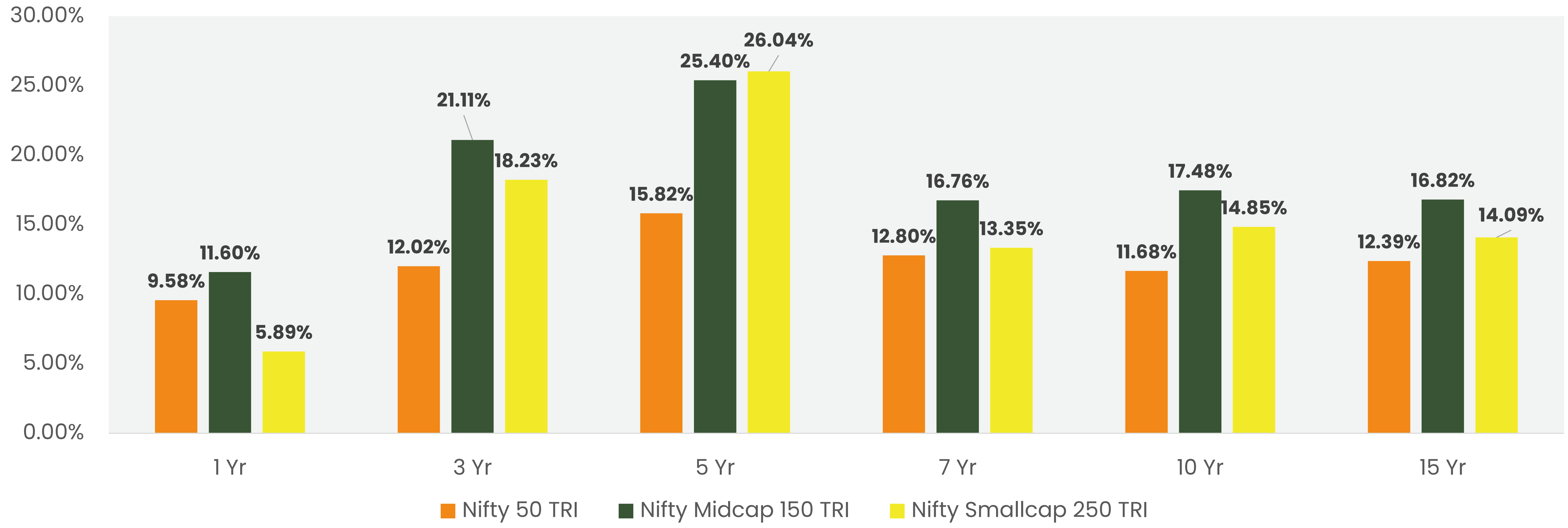
Better Risk Adjusted Returns



	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
CAGR Returns	**14.45%**	**17.65%**	**16.32%**
Volatility (Std Deviation)	**6.25**	**7.80**	**8.65**

Source : NSE, ACEMF, Internal Research and calculations. CAGR Returns and Annualized standard deviation calculated for the period: 1st Apr 2005 till 31st Jan 2025. Index performance represents the actual historic performance of the respective Index and the same is presented for understanding purpose only. Past performance may or may not be sustained in future and is not a guarantee of any future returns. **Index performance does not signify scheme performance**. Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 31/05/24) for Sensex is 12.62%, for Nifty 50 is 12.42% and Nifty 500 is 12.80% (Source: AMFI).

Nifty Midcap 150 TRI: Medium to Long-Term Outperformance

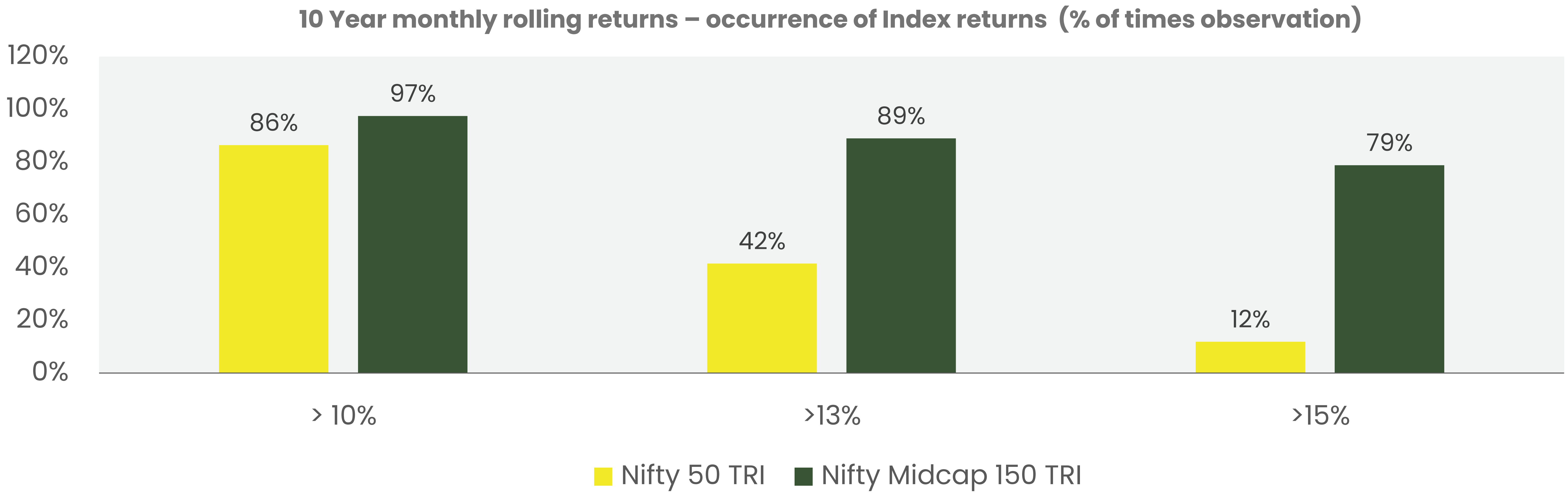


Nifty Midcap 150 TRI & Nifty Smallcap 250 TRI **Triumph the Largecap Index**

Source: Internal Calculation. CAGR Returns as of 31st Jan 2025 . Index performance represents the actual historic performance of the respective Index and the same is presented for understanding purpose only. Past performance may or may not be sustained in future and is not a guarantee of any future returns. **Index performance does not signify scheme performance.** Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 31/05/24) for Sensex is 12.62%, for Nifty 50 is 12.42% and Nifty 500 is 12.80% (Source: AMFI).

Power Of Midcap Investing In The Long Run

The higher valuations seem to pay off in the long run



A rolling 10-year SIP (Systematic Investment Plan) performance of **Midcaps** shows significant outperformance above largecaps and **can be a good option for long term SIP**

Source : Internal Calculation. 10 Year Monthly SIP returns rolled from 1 April 05 to 1 Jan 2025, first observation recorded on 1 Apr 15. Returns are in % XIRR. Index performance represents the actual historic performance of the respective Index and the same is presented for understanding purpose only. Past performance may or may not be sustained in future and is not a guarantee of any future returns. **Index performance does not signify scheme performance.** Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 31/05/24) for Sensex is 12.62%, for Nifty 50 is 12.42% and Nifty 500 is 12.80% (Source: AMFI).

Estimated Strong Growth Beyond Largecaps

Indicators	Nifty 50	Nifty Midcap 150	Nifty Small Cap 250
EPS CAGR (%)			
Last 5yr	16.2	17.6	28.7
Est. 2yr Fwd (FY24 to FY26E)	12.0	18.8	18.1
Chg bps (Est. 2yr Fwd vs. Last 5yr)	-417	121	-1,058
RoE (%)			
Avg 5yr	13.8	9.3	11.3
Est. 2yr Avg (FY25 & FY26E)	15.2	12.9	14
Chg bps (Est. 2yr Fwd vs. Last 5yr)	138	357	275
PEG Ratio			
FY26E	1.5	1.2	1.0

SMidcaps expected to offer a **steady balance between fundamentals (RoE), Growth and valuations**

Source: DAM Capital & Internal Research | Data as on 07 January, 2025 | Smidcaps: Small & Midcaps

Midcap Space Looks Attractive Currently

Valuation: Midcap 150 at premium of 63% vs. Nifty; However, due to higher 2-year forward EPS CAGR of ~19% for Mid cap vs. 12% for Nifty, PEG is at 1.2 for Midcap vs. 1.5 for Nifty.

Ecosystem Control: With hard and soft infra (e.g. roads, e-infra, logistics) improving, the control of large companies over their ecosystem (through captive infra like distribution and access to inputs like people/ finance/ markets) is decreasing, leading to many MidCaps competing effectively.

Medium term triggers which benefit MidCaps relatively more:

- New US regime likely to increase Indian status as "US+1", i.e. complementary products and services to MAGA (eg making "lagging edge" chips in India), benefiting manufacturing and exports. Tariffs on China and chaos in Bangladesh also help some exports.
- Input costs decreasing: Chinese slowdown + dumping on tariffs to decrease RM costs, Lower Energy costs as renewable proportion increases.

Government boost for consumption: Recent announcement in Union Budget 2025-26 to stimulate household consumption through increased disposable incomes, driven by reduced tax burdens. This, coupled with prevailing lower interest rates and improved credit accessibility, is expected to lead to a surge in spending across sectors such as consumer services, consumer goods, FMCG, and IT.

Flows & AUM: Given that SIPs are a third of gross MF inflows (anecdotally more in SMidCaps) and growing, and that pure SMidCap schemes (excl. those included in thematic, multi cap, etc.) are a fourth of MF equity AUM, money will continue to chase SMidCaps as long as the momentum remains.

Source: DAM Capital & Internal Research | Data as on 07 January, 2025. PEG: The Price/Earnings to Growth

Midcaps' Fall From The Peak

Fall from Peak (September 24, 2024 - January 31, 2025)
Nifty Midcap 150 TRI : **-11.67%**

Range of Individual Stock Declines: **-3% to -59%**

Fall from Peak	Number of Stocks
Over 50%	3
40% - 50%	26
30% - 40%	50
20% - 30%	41
10% - 20%	22
Less 10%	8

} Primarily, stocks that have seen re-rating driven price returns

Narratives Can Have Nasty Short Life

The steepest declines were seen primarily in narrative stocks, underscoring the importance of **avoiding companies with unreasonable valuations.**

Source: Internal Research, Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance. Fall from the peak price for the respective constituents of the Index is calculated considering the latest price as on 11 February 2025 and the 52-week high price during the last one year period 12 Feb 2024 to 11 Feb 2025

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Stock Selection & Investment Strategy Makes A Significant Difference

Our investment philosophy

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

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.

Many Companies Thrive, But Only Top Third Excels

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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					INR	
	50th Best	100th Best	150th Best	200th Best	250th Best	# >Index	NSE 500 INDEX
2004	99.8%	73.7%	45.8%	32.7%	23.3%	264	21.1%
2005	149.7%	95.2%	69.8%	49.5%	35.8%	236	38.8%
2006	88.8%	52.7%	34.0%	19.4%	5.6%	143	36.2%
2007	186.1%	117.1%	86.6%	62.7%	47.6%	194	64.6%
2008	-32.0%	-46.3%	-55.4%	-61.6%	-66.0%	157	-56.5%
2009	254.4%	194.4%	163.3%	131.6%	105.0%	297	91.1%
2010	79.0%	54.8%	38.2%	26.0%	16.9%	257	15.7%
2011	5.3%	-9.0%	-17.3%	-25.5%	-34.4%	204	-26.2%
2012	97.1%	72.8%	55.3%	43.2%	31.5%	235	34.1%
2013	40.6%	18.7%	5.8%	-2.5%	-9.9%	153	5.4%
2014	153.9%	102.0%	83.3%	62.9%	44.8%	274	40.0%
2015	46.4%	30.4%	18.1%	10.0%	2.2%	260	0.6%
2016	46.6%	28.9%	17.2%	9.0%	1.2%	214	5.3%
2017	114.6%	79.6%	64.0%	51.6%	39.6%	260	37.6%
2018	21.1%	1.6%	-7.9%	-15.8%	-21.9%	120	-2.1%
2019	40.0%	18.7%	7.2%	-1.1%	-7.1%	141	9.0%
2020	73.7%	52.7%	35.7%	25.4%	14.1%	231	18.3%
2021	119.7%	85.0%	63.9%	49.2%	38.3%	279	31.8%
2022	51.8%	32.5%	16.3%	7.0%	-2.3%	213	4.4%
2023	103.1%	77.3%	58.4%	47.0%	37.0%	296	27.6%
2024	69.4%	49.8%	34.0%	24.4%	14.6%	242	16.5%
Cumulative	**6619118.9%**	**212652.8%**	**20596.7%**	**2902.6%**	**377.2%**	**220 Average**	**1544.8%**

Companies are ranked by their returns in each calendar year; Data up to Dec-2024

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

Upto 31 Dec, 2024 | #Absolute Total Returns. Cumulative returns calculated by assuming perfect foresight in buying the 50th, 100th, 150th, 200th & 250th ranked stock each year and holding for one year (Buy/Sell at end of calendar year close) Source: Bloomberg/Helios Research For Illustrative Purpose Only. Past performance may or may not be sustained in future.

Subpar Performance: A Common Occurrence

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				INR	
	300th Best	350th Best	400th Best	450th Best	# >Index	NSE 500 INDEX
2004	13.2%	0.4%	-13.7%		264	21.1%
2005	22.7%	6.6%	-8.2%	-28.5%	236	38.8%
2006	-3.6%	-13.4%	-24.3%	-38.2%	143	36.2%
2007	31.6%	15.4%	1.3%	-11.8%	194	64.6%
2008	-70.1%	-74.5%	-79.1%	-83.4%	157	-56.5%
2009	89.9%	75.8%	60.2%	32.6%	297	91.1%
2010	6.6%	-4.3%	-14.1%	-27.9%	257	15.7%
2011	-41.4%	-49.6%	-57.2%	-66.7%	204	-26.2%
2012	21.5%	11.6%	3.1%	-9.8%	235	34.1%
2013	-17.0%	-24.3%	-36.6%	-44.8%	153	5.4%
2014	32.7%	20.0%	7.4%	-8.6%	274	40.0%
2015	-5.5%	-14.3%	-23.9%	-37.5%	260	0.6%
2016	-5.2%	-13.9%	-23.3%	-35.3%	214	5.3%
2017	30.9%	20.7%	10.5%	-4.9%	260	37.6%
2018	-28.9%	-35.2%	-43.0%	-55.5%	120	-2.1%
2019	-14.7%	-24.4%	-33.3%	-50.6%	141	9.0%
2020	4.6%	-3.6%	-13.7%	-23.4%	231	18.3%
2021	25.7%	15.8%	2.4%	-8.0%	279	31.8%
2022	-10.2%	-16.4%	-24.3%	-34.6%	213	4.4%
2023	26.8%	18.0%	7.0%	-3.3%	296	27.6%
2024	6.90%	-2.60%	-9.10%	-19.80%	242	16.50%
Cumulative	**-17.3%**	**-89.4%**	**-99.0%**	**-100.0%**	**220 Average**	**1544.8%**

Companies are ranked by their returns in each calendar year;
Data up to Dec-2024.

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

Upto 31 Dec, 2024 | #Absolute Total Returns. For Illustrative Purpose Only. Past performance may or may not be sustained in future. | Source: Bloomberg/Helios Research

We Start With What NOT To Buy!

Screening factors for elimination

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

How Does Elimination Investing™ Work?

- Each company is rated as 'Bad', 'Not Bad', or 'Good' on eight key factors.
- A 'Bad' rating on any of the top six factors results in immediate elimination ('Not Willing to Buy' Bucket)
- A 'Bad' rating on factors seven or eight delays consideration. ('Willing to Buy, but Not Now' Bucket)
- To be investible, a company must have a 'Good' or 'Not Bad' rating on all eight factors.
- While a 'Good' rating on all factors is ideal, a 'Not Bad' rating on one or two factors, especially for exceptional companies, may be acceptable.
- A 'Not Bad' rating indicates that the factor is not a major determinant in the investment decision.
- A 'Bad' rating on any factor is a strict elimination criterion.

Detailed checklists exist for each of the factors.

Handpicking Quality Stocks To Build A Robust Portfolio

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

GOOD STOCKS
Offering high confidence in reasonable returns

+

EMERGING GOOD STOCKS
Offering 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 portfolio**
- **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 **Midcaps but they could also be Largecap companies** where we see trigger for sustained recovery or re-discovery by market
- Comprise the more **active part of the portfolio**
- **Differentiation vs. peers via early discovery** or timing of buy/sell and sizing

Our Conviction For Midcap Stocks

Why Midcaps Offer Compelling Opportunities

Flexibility and Innovation

Midcap stocks tend to be more agile and adaptable compared to larger counterparts, allowing them to quickly capitalize on new trends, technologies, or market shifts.

Growth Potential

Midcap stocks, being in their growth phase, have significant room for expansion compared to largecap stocks.

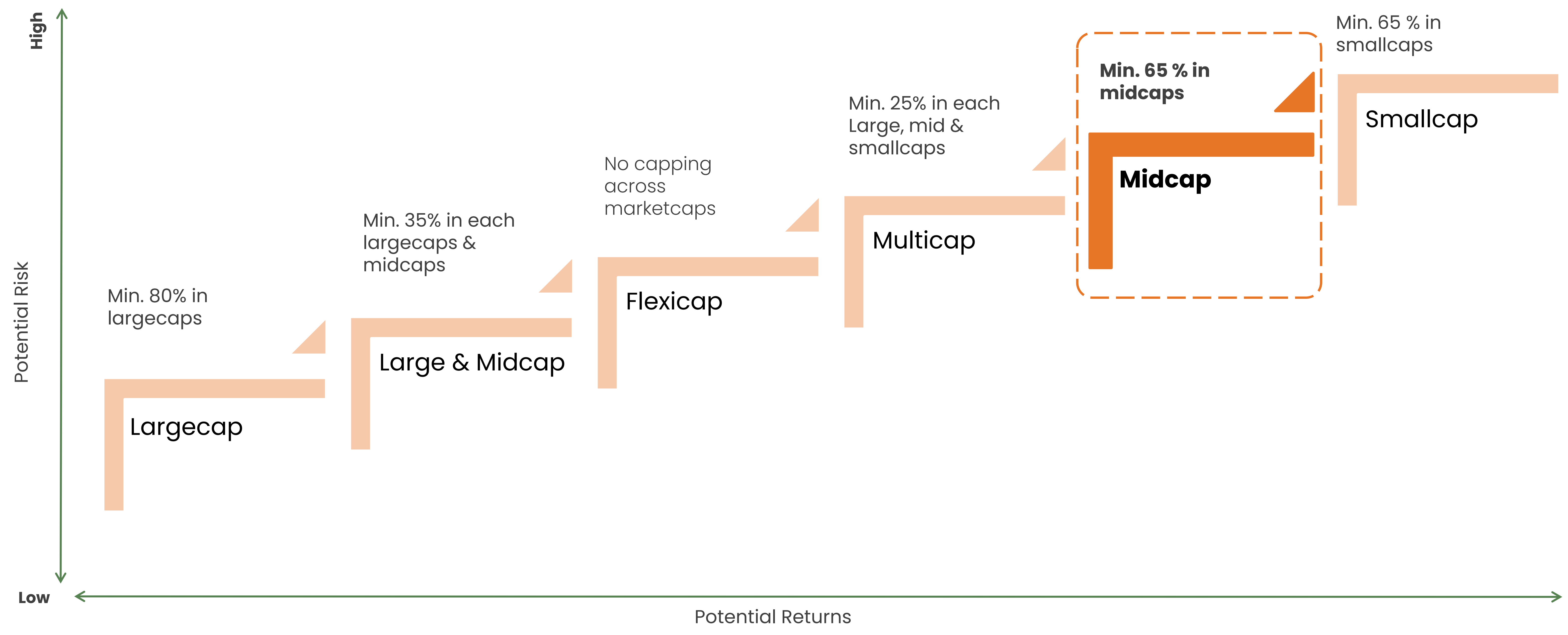
Adaptability to Market Changes

Midcap companies are relatively more nimble and flexible compared to largecap firms. They can quickly adapt to changing market conditions, allowing them to innovate and respond to new opportunities faster than their larger counterparts.

Diversification in Portfolio

Midcap stocks could offer an excellent way to diversify your portfolio by adding a mix of growth stocks that are relatively riskier than largecaps but less volatile than smallcaps.

Midcap Fund Positioning



Fund positioning (potential risk and returns) of the category 'Midcap Fund' is provided in comparison to the other stated categories of the schemes and purely for illustrative purpose only. Helios Midcap Fund is risk labeled as 'Very High Risk'. For detail on the risk-o-meter, please refer page 40

helios
MUTUAL FUND
Har term ke liye....

Presenting

Helios Mid Cap Fund

(Mid Cap Fund - An open-ended equity scheme predominantly investing in mid cap stocks)

Why Helios Mid Cap Fund?

Multi-Decade Market Expertise

Experienced team with a history of spotting ideas early and consistently identifying winners ahead of the market.

Trademark Elimination Investing Philosophy

Filtering out weaker businesses at Day 1 to focus on high-quality midcaps.

Balanced Portfolio Approach

A blend of proven Midcap leaders and emerging, under-owned opportunities.

Identifying Tomorrow's Largecaps

Investing early in companies with high growth potential which can be tomorrows Largecaps.

Earnings-Driven Investing

Pay as much as justified for expected growth; avoid overpaying for growth at unreasonable prices.

Gradual Position Building

to manage risk and volatility.

Aiming To Ride Winners

by increasing exposure to high-performing stocks.

Exiting Underdogs

Early to limit losses and protect gains.

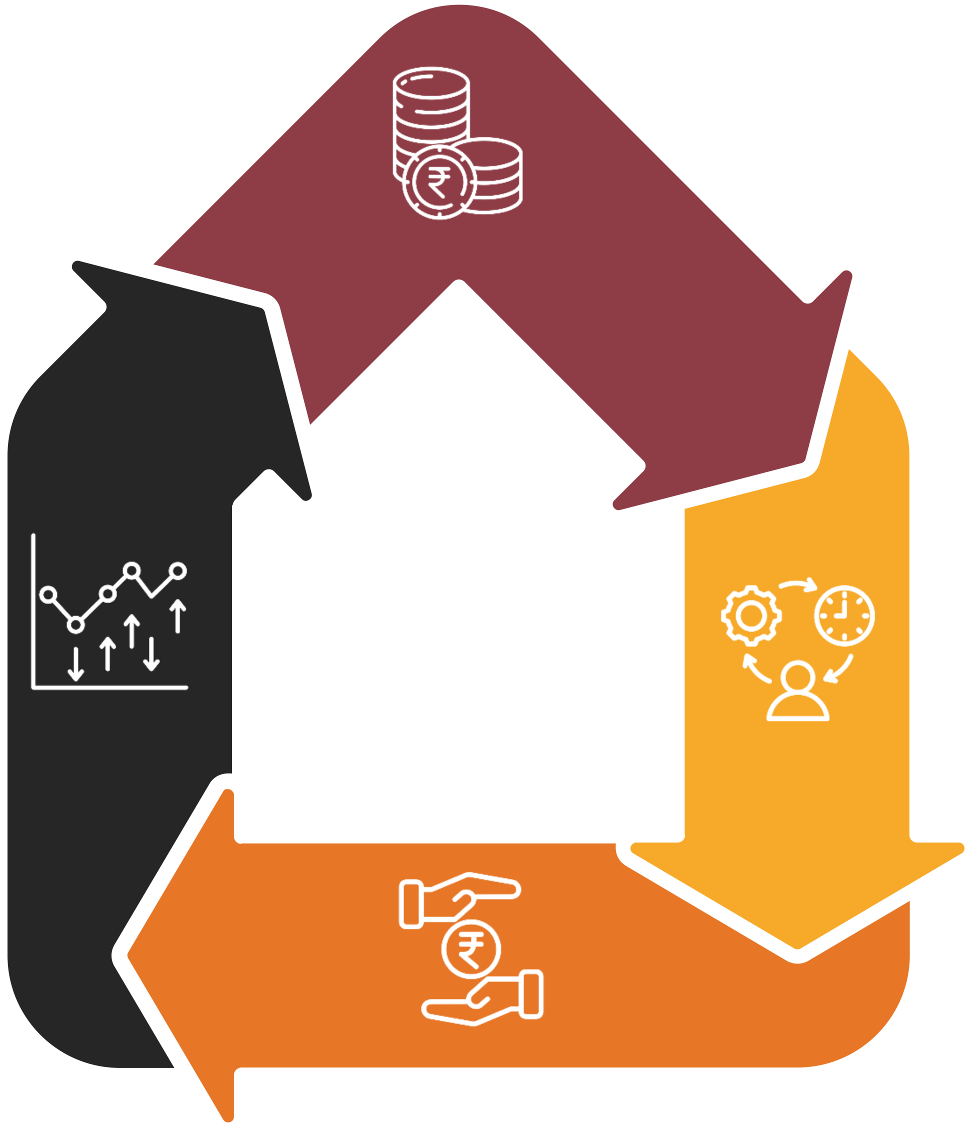
For detailed investment strategy, please refer Scheme Information Document.

Rupee Cost Averaging

SIPs automatically purchase more units during market corrections and fewer during highs, averaging the cost over time.

Volatility Creates Entry Points

Corrections in midcaps could provide opportunities to accumulate at lower valuations.



Disciplined Investing:

SIPs remove the emotional element of market timing, ensuring consistent investments irrespective of short-term volatility.

Long-Term Wealth Creation

SIPs in Midcap funds during volatile phases allow investors to benefit from market recovery and compounding over time.

SIP - Systematic Investment Plan.

Proof Of The Pudding

SIP investments optimize returns across tenors.

Nifty Midcap 150 Index	10 Yr SIP	10 Yr Lump Sum	5 Yr SIP	5 Yr Lump Sum	3 Yr SIP	3 Yr Lump Sum	1 Yr SIP	1 Yr Lump Sum
Returns (CAGR)	17.26%	16.08%	19.84%	17.61%	21.60%	20.15%	23.15%	22.35%
Investment Amount (Rs. 5000 monthly SIP)	6,00,000	6,00,000	3,00,000	3,00,000	1,80,000	1,80,000	60,000	60,000
Value of Investment	15,81,630	26,66,226	5,06,511	6,75,035	2,50,187	3,12,208	66,794	73,409

The question is how can one make the most of available opportunity in the Midcaps? Through Lumpsum or through SIP?

Source: Acemf. Internal calculation. SIP returns are average of monthly SIP rolling returns across tenors & 1 yr lumpsum returns are absolute while Lumpsum returns for others tenors are average of monthly rolling returns, since 1st April 15 till Jan 25.. For SIP calculations above, the data assumes the investment of ₹5000/- on 1st day of every month or the subsequent working day. Index performance represents the actual historic performance and the same is presented for understanding purpose only. Past performance may or may not be sustained in future and is not a guarantee of any future returns. **Index performance does not signify scheme performance.** Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 31/05/24) for Sensex is 12.62%, for Nifty 50 is 12.42% and Nifty 500 is 12.80% (Source: AMFI).

SIP: Small Steps, Big Rewards

Did you know the money invested since inception (1st Apr 2005) in the Nifty Midcap 150 TRI would have become 26 times with 18% CAGR till 31st Dec 2024?

	Date	Nifty Midcap 150 TRI Value	Value grows by X times	CAGR
Inception Date	01-Apr-05	1000.00	**26 Times**	**18%**
Investment End Date	31-Dec-24	26732.77		

Did you know?: 15 years ago, a lump sum investment of Rs. 10 lakhs invested in Nifty Midcap 150 TRI could have turned into a crore today.

	Date	Nifty Midcap 150 TRI Value	Value of Rs. 10 Lakh Lumpsum	Value of Rs 10,000 SIP
Investment Start Date	01-Dec-09	2405.21	**Rs. 1,11,14,526** (17.31% CAGR)	**Rs. 96,80,530** (19.95% XIRR)
Investment End Date	31-Dec-24	26732.77		

But, how many of us had that kind of capital readily available back then?

The good news? → A consistent SIP of just **Rs. 10,000** per month over the same **15-year period** would have also brought you remarkably close to achieving that crore-rupee milestone.

SIPs offer a powerful path to wealth creation, making it accessible to everyone, regardless of their initial investment capacity.

Source: Acemf. Internal calculation. | . Considered calendar year for case study purpose For SIP calculations above, the data assumes the investment of ₹ 10,000/- on 1st day of every month or the subsequent working day. Index performance represents the actual historic performance and the same is presented for understanding purpose only. **Index performance does not signify scheme performance** Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 31/05/24) for Sensex is 12.62%, for Nifty 50 is 12.42% and Nifty 500 is 12.80% (Source: AMFI).

Case Study: The Combination You Didn’t Know You Needed

A combination of SIP + Lump Sum into Midcap space can do wonder to your portfolio. Here is why,



Mode of investment	Lump Sum	SIP	Lump sum + SIP
Amount Invested	**₹ 10 Lakh**	**₹ 18 Lakh** (₹ 10,000 p.m)	**₹ 14 Lakh** (₹ 5 Lakh + ₹5,000 p.m)
Value of Investment After 15 Years	**Rs. 1.10 Crore**	**Rs. 96,80,530**	**Rs. 1.04 Crore**
	• Requires significant upfront capital • Best suited for investors with large lump sums and strong market timing confidence	• Lower volatility due to rupee cost averaging • Ideal for long-term investors with regular income and moderate risk tolerance	• **Reduced risk** compared to lump sum alone • Best suited for investors seeking a **balanced approach**, combining the **benefits of both lump sum and SIP**

Source: Acemf. Internal calculation. Considered calendar year for case study purpose | Please refer previous slide for further details on the above performance. Methodology: Investment amount invested in Nifty Midcap 150 TRI index for a 15 year period, since 1st Dec 2009 till 31 Dec 2024 | For SIP calculations above, The data assumes the investment on 1st day of every month or the subsequent working day. Index performance represents the actual historic performance and the same is presented for understanding purpose only. **Index performance does not signify scheme performance** Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 31/05/24) for Sensex is 12.62%, for Nifty 50 is 12.42% and Nifty 500 is 12.80% (Source: AMFI).

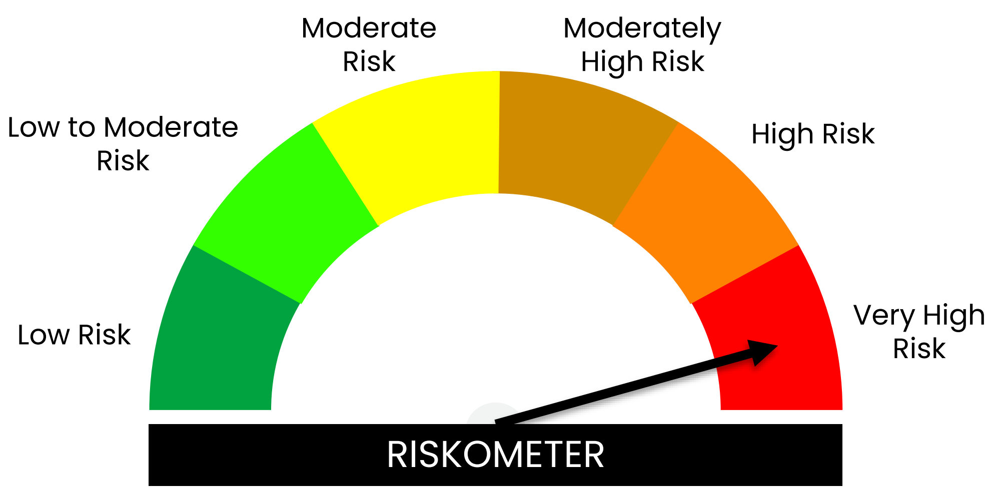
Helios Mid Cap Fund Details

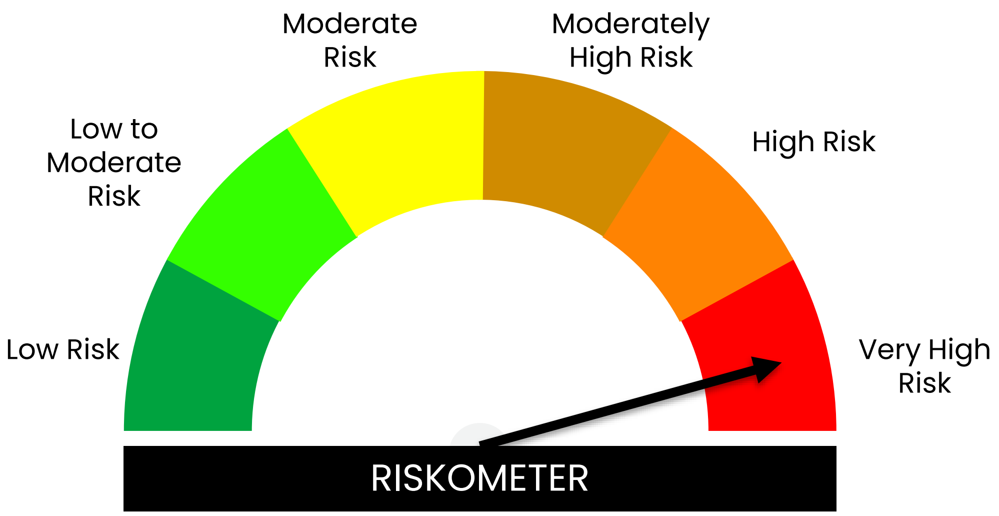
Scheme Category	Mid Cap Fund
Type of Scheme	Mid Cap Fund - An open-ended equity scheme predominantly investing in mid cap stocks
Benchmark	NIFTY Midcap 150 Total Return Index (TRI)
Plans and Options	Direct and Regular Plan, each with Growth and IDCW Option (Re-investment, Transfer, Pay-out Sub-Option)
NFO Period	20 February, 2025 to 06 March, 2025
Minimum Investment Amount	Rs. 5,000/-(plus in multiple of Rs. 1)
Minimum Additional Subscription Amount	Rs. 1,000/- (plus in multiple of Rs. I)
Fund Managers	Mr. Alok Bahl (Overall 33 years of experience) Mr. Pratik Singh (Overall 11 years of experience)
Entry Load	NA
Exit Load	(1) 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-Ni (ii) If units redeemed or switched out are over and above the limit within 3 months from the date of allotment of the applicable NAV (ii) If redeemed/switched out after 3 months from the date of allotment-Nil
Investment Objectives	To generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity related securities of Midcap companies. However, there can be no assurance that the investment objective of the Scheme will be realized.
Asset Allocation	Equity & Equity related instruments of Midcap companies: 65% to 100%; Equity and equity related instruments of companies of other than Midcap: 0 to 35% ; Debt Securities & Money Market instruments : 0 to 35%
Liquidity	Units of the Scheme may be purchased or redeemed on all Business Days at NAV based prices subject to the prevailing load structure
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).

For more details, please refer Scheme Information Document.

Product Labelling and Risk-O-meter

<table>
<tr><th>Scheme Name</th><th>Scheme Risk-o-meter#</th><th>Benchmark
(NIFTY Midcap 150 Total Return Index)
Risk-o-meter</th></tr>
<tr>
<td>Helios Mid Cap Fund
(Mid Cap Fund - An open-ended equity scheme predominantly investing in mid cap stocks)

This product is suitable for investors who are seeking*:
• Long-term wealth creation
• Investment in equity and equity related securities predominantly of mid-cap companies.</td>
<td>

The risk of the scheme is very high</td>
<td>

The risk of the benchmark is very high</td>
</tr>
</table>

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

The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

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

Disclaimers

The calculations given in this document do not consider stamp duty/levy etc. for ease of calculation and the values shown are pre-tax. Investors may incur tax liability on capital gains based on prevailing tax laws. Any calculations made are approximations meant for understanding a particular concept only. These calculations/views alone are not sufficient and should not be used for the developing or implementing an investment strategy. Investors should consult their financial advisers if in doubt about whether the product is suitable for them. Various sector(s) mentioned in the document do not constitute any recommendation and Helios AMC may or may not have any future positions in these sector(s). Performance of various indices provided in the document represents the historic performance of the respective Indices and the same is presented for understanding purpose only. **Past performance may or may not sustain in future and is not a guarantee of any future returns. Index/Sector performance does not signify scheme performance.** Further, Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 31/05/24) for Sensex is 12.62%, for Nifty 50 is 12.42% and Nifty 500 is 12.80% (Source: AMFI).

Investors should note that prices of mid and Smallcap stocks tend to fluctuate with overall market movements. During market downturns, their prices may decline significantly. Also, some of such stocks could be less liquid than the Largecap stocks. This can exacerbate volatility in fund NAVs during market swings.

The information provided on this document is meant only for general reading purposes and does not have regard to specific investment objectives, financial situation and the particular needs of any specific person and therefore should not be construed as (i) an offer or recommendation to buy or sell securities, commodities, currencies or other investments referred to herein; or (ii) an offer to sell or a solicitation or an offer for purchase of any of the funds or products offered/managed by Helios Capital Asset Management (India) Private Limited ("AMC") Formerly Known as – Helios Capital Management (India) Pvt Ltd | Helios Capital Management Pte. Ltd. ("Sponsor"); or (iii) an investment research or investment advice; or (iv) as guidelines, recommendations or as a professional guide for the readers. Investors/prospective investors should seek personal and independent advice regarding the appropriateness s of investing in any of the products, securities, other investment, or investment strategies that may have been discussed or referred herein and should understand that the views regarding future prospects may or may not be realized. In no event shall the Sponsor, the AMC, their respective directors, employees, affiliates or representatives, etc. (hereinafter referred to as "Helios") shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information provided herein. The details, views, suggestions, illustrations, strategies, investment philosophy, etc. are collectively stated as 'Information" in this document which is subject to changes from time without any prior intimation to the readers. Information gathered used herein is believed to be from reliable sources. The AMC/Sponsor however does not warrant the accuracy, reasonableness and/or completeness of any information. If the said Information contains any mistakes, omissions, inaccuracies and typographical errors, etc. Helios assumes no responsibility thereof. Any action on your part on the basis of the said Information is at your own risk and responsibility. The AMC/Sponsor reserves right to correct any part of the said Information at any time as and when required at its sole discretion. The Information contained in this document shall not be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, in part or whole without the prior written permission of the AMC/Sponsor.

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