

Helios Total Return Fund, Inc. (“HTR”)
Helios Strategic Mortgage Income Fund, Inc. (“HSM”)
Hyperion Brookfield Income Fund, Inc. (“HBIF”)
Hyperion Brookfield Collateralized Securities Fund, Inc. (“HCS”)
Helios Advantage Income Fund, Inc. (“HAV”)
Helios High Income Fund, Inc. (“HIH”)
Helios Multi-Sector High Income Fund, Inc. (“HMH”)
Helios Strategic Income Fund, Inc. (“HSA”)
Helios High Yield Fund (“HHY”)
and
Helios Select Fund, Inc. and its three separate series:
Helios Select Short Term Bond Fund
Helios Select Intermediate Bond Fund
Helios Select High Income Fund
(“Helios Mutual Funds”, and collectively, the “Funds”)

FUND GOVERNANCE POLICIES AND PROCEDURES

I. INTRODUCTION

The Funds’ Boards of Directors (“Boards”) fulfill an important role in overseeing the Funds’ activities to ensure that the activities are being conducted for the benefit of the Funds and their shareholders. These Fund Governance Policies and Procedures are designed to guard against, among other things, an improperly constituted Board, the failure of the Boards to properly consider matters entrusted to them, and the failure of the Boards to request and consider information required by the Investment Company Act of 1940, as amended, from the Funds’ adviser, sub-adviser (if applicable) and other service providers.

II. POLICIES AND PROCEDURES

- Board Structure

The Funds share certain common Directors. Exhibit A provides a list of the Directors of each Fund.

In order to ensure that the Boards are properly constituted in compliance with the Investment Company Act, the Funds’ procedures include the following:

- Boards of Directors are elected by shareholders when necessary;
- Disinterested (those Directors who are not interested persons as defined under Section 2(a)(19) of the Investment Company Act of 1940 (the “1940 Act”)) Director candidates are selected and nominated by other disinterested Directors;
- Boards maintain a sufficient number of disinterested Directors in order for disinterested Directors to constitute at least 75% of each Board. In order to ensure compliance with this requirement, disinterested Director candidates are required to complete a written questionnaire designed to determine whether they are “interested persons” as defined by the 1940 Act, and after such Director’s election, to annually complete the questionnaire. The questionnaires are distributed at the end of the calendar year, and the responses are reviewed by Adviser personnel, and fund counsel, when necessary. The questionnaires are kept by the Funds’ Adviser.

- The Funds' Boards of Directors retain independent legal counsel.
- The Chairman of the Board of Directors, who is elected by the non-management directors, will preside at each executive session of the board, or if one has not been designated, the chairperson of the nominating and compensation committee shall serve as such.

Matters Considered by the Boards

In their oversight role of the Funds, the Boards convene at least on a quarterly basis to consider various matters for their review and/or approval. The following are examples of significant matters considered by the Boards and/or committees of the Boards:

- Compliance and regulatory reports and presentations
- Fund Performance Presentations
- Approval of Advisory and Sub-Advisory (if applicable) Agreements
- Review and approval of Codes of Ethics
- Review and approval of Joint Fidelity Bond
- Review and approval of Joint D&O/E&O insurance policies
- Review of independence and selection of independent auditors
- Review of independence of independent counsel
- Review of independence of disinterested Directors
- Election of officers
- Review and approval of Distribution Plans
- Review and approval of Valuation Procedures
- Review and approval of Rule 17a-7 Procedures
- Review and approval of Rule 17e-1 Procedures
- Review and approval of Rule 10f-3 Procedures
- Approval of procedures and review of reports pursuant to Rule 38a-1

Attached as Exhibit B is the Board Calendar that details the general matters considered by the Boards and the frequency in which these matters are brought upon the Board's attention.

Distribution of Materials Pursuant to Certain Contract Approvals

Pursuant to Section 15(c) of the 1940 Act, before the Funds enter into, renew or perform under any advisory contract, the Fund's adviser is required to provide Directors with such information as is reasonably necessary and/or requested by the Directors to evaluate the terms of such contract. It is the Director's duty to evaluate such information before any such contract is approved. Such information shall be timely provided to the Directors prior to any Board meeting where such contract approvals will be considered.

EXHIBIT A

DIRECTORS OF THE FUNDS

<p><u>Helios Total Return Fund, Inc.</u> Rodman L. Drake, Chairman Robert F. Birch John J. Feeney, Jr. Louis Salvatore Stuart McFarland</p>
<p><u>Helios Strategic Mortgage Income Fund, Inc.</u> Rodman L. Drake, Chairman Robert F. Birch John J. Feeney, Jr. Louis Salvatore Stuart McFarland</p>
<p><u>Hyperion Brookfield Income Fund, Inc.</u> Rodman L. Drake, Chairman John J. Feeney, Jr. Robert F. Birch Harald R. Hansen Stuart McFarland Louis Salvatore</p>
<p><u>Hyperion Brookfield Collateralized Securities Fund, Inc.</u> Rodman L. Drake, Chairman John J. Feeney, Jr. Robert F. Birch Harald R. Hansen Stuart McFarland Louis Salvatore</p>
<p><u>Helios Advantage Income Fund, Inc.</u> Rodman L. Drake, Chairman Robert F. Birch John J. Feeney, Jr. Diana H. Hamilton Louis Salvatore Stuart McFarland</p>
<p><u>Helios High Income Fund, Inc.</u> Rodman L. Drake, Chairman Robert F. Birch John J. Feeney, Jr. Diana H. Hamilton Louis Salvatore Stuart McFarland</p>
<p><u>Helios Multi-Sector High Income Fund, Inc.</u></p>

Rodman L. Drake, Chairman
Robert F. Birch
John J. Feeney, Jr.
Diana H. Hamilton
Louis Salvatore
Stuart McFarland

Helios Strategic Income Fund, Inc.

Rodman L. Drake, Chairman
Robert F. Birch
John J. Feeney, Jr.
Diana H. Hamilton
Louis Salvatore
Stuart McFarland

Helios Select Fund, Inc.

Rodman L. Drake, Chairman
Robert F. Birch
John J. Feeney, Jr.
Louis Salvatore
Stuart McFarland

Helios High Yield Fund

Rodman L. Drake, Chairman
Robert F. Birch
John J. Feeney, Jr.
Diana H. Hamilton
Louis Salvatore
Stuart McFarland

EXHIBIT B

Helios Total Return Fund, Inc. (“HTR”)
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and
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Helios Select Short Term Bond Fund
Helios Select Intermediate Bond Fund
Helios Select High Income Fund

(As a single entity “Fund,” and collectively the “Funds”)

BOARD CALENDAR

<p><u>Items subject to quarterly reporting:</u></p> <ol style="list-style-type: none">1. Approval of Minutes2. Investment Management Reports3. Financial Reports4. Dividend Report5. Review and Approve Authorized Signatory List6. Review Liquidity Report (Helios Select Fund, Inc.)7. Review Rule 12b-1 Reports (Helios Select Fund, Inc.)8. Share Repurchase Report9. Securities Valuation Report10. Report on Code of Ethics & Rules 10f-3, 12d3-1, 17a-7 & 17e-1
<p>JANUARY Audit Committee Meeting (HSM/HTR) 1. Review Annual Audited Financial Statements*</p>
<p>FEBRUARY</p>
<p>MARCH Audit Committee Meetings (HSM/HTR/HBIF/HCS) 1. Review Fund Profitability Study* 2. Selection of Independent Public Accountants 3. Review Audit Committee Charter Board Meetings (HSM/HTR/HBIF/HCS)</p>

*Required for the approval of the renewal of the investment management agreements.

1. Audit Committee Report on:
 - a. Profitability Study
 - b. Selection of Independent Public Accountants
 - c. Approval of Audit Committee Charter
2. Annual approval of Funds' and HBAM's Code of Ethics (HSM/HTR/HBIF/HCS)
3. Approve Resolutions for the Annual NYSE Section 303A Written Affirmation (HSM/HTR)
4. Review Board's Fee Structure and Retirement Policy
5. Review Business Continuity Plan
6. Renewal of Investment Advisory Agreement
 - a. Review of Fund Expense Comparative Analysis
 - b. Review of HBAM Advisory Fees Comparison
 - c. Review of HBAM's Audited Financials
7. Board delegates authority for daily administration of the Valuation Policy and Procedures to the Valuation Committee
8. Review Boards' self evaluation

Annual Stockholder Meeting (HTR, HSM)

APRIL

MAY

JUNE

Board Meetings (HSM/HTR/HBIF/HCS)

1. Approval of Joint Fidelity Bond
2. Review Independent Counsel Determination Letter
4. Report of the Annual Shareholders Meeting (HSM/HTR)
5. Approve Continuation of Share Repurchase Program (HSM/HTR)
6. Election of Fund Officers (HSM/HTR)

JULY

Audit Committee Meetings (HSM/HTR)

1. Review Semi-Annual Financial Statements

Board meetings (HAV/HHH/HSA/HMH/Helios Select Fund, Inc.)

1. Election of Chairman of the Boards of Directors
2. Election of Officers
3. Approval of HBAM as administrator
4. Approval of State Street Bank as sub-administrator, sub-accounting agent and custodian
5. Approval of Computershare Company, N.A. as transfer agent and approval of Transfer Agency and Services Agreement
6. Approval of committees of the boards of directors and the committee structures
7. Approval of compliance programs and fund policies and procedures
8. Approval of joint fidelity bond
9. Approval of joint D&O liability insurance policy
10. Ratify fee structure and retirement policy for the Boards
11. Approval of the establishment of dividend and capital gains declaration policies
12. Appointment of legal counsel to the funds and counsel to the independent directors
13. Approval of general implementing resolutions

14. Ratify prospectus and statement of additional information supplement (Helios Select Fund, Inc. only)
15. Review Business Continuity Plan

Annual Stockholder Meeting (HAV/HSA/HHH/HMH)

AUGUST

SEPTEMBER

Audit Committee Meetings (HBIF/HCS)

1. Review Annual Audited Financial Statements*²
2. Selection of Independent Public Accountants

Board Meetings (All Funds)

1. Annual approval of Rule 12b-1 Plans (Helios Select Fund, Inc. only)
2. Analysis of Sub-Administration Fees Paid to State Street Bank*
3. Approve Administration and Sub-Administration Agreements*
4. Selection of Independent Public Accountants (HBIF/HCS)
5. Election of Chairman of the Board of Directors (HBIF/HCS)
6. Election of Officers (HBIF/HCS)

OCTOBER

NOVEMBER

Audit Committee Meetings (HAV/HSA/HHH/HMH)

1. Review Annual Audited Financial Statements

DECEMBER

Audit Committee Meetings (Helios Select Fund, Inc.)

1. Review Annual Audited Financial Statements

Board Meetings (All Funds)

1. Determination of Audit Committee Financial Experts (S&W to circulate and collect questionnaire prior to the meeting)
2. Approval of Joint E&O Liability Insurance
3. Report of the Hyperion Fund Complex Annual Compliance Review
5. Approve Dividend Declaration Schedule (HSM/HTR/HAV/HSA/HHH/HMH)
6. Consideration of Tender Offer (HSM/HTR)
7. Approve Board Calendar for 2009
8. Approval of annual stockholders meeting date and record date (HSM/HTR)

Nominating and Compensation Committee meetings (All Funds)

1. Annual ratification of the Nominating and Compensation Committee Charter
2. Nomination of Directors for re-election (HSM/HTR)

*Required for the approval of the renewal of the investment management agreement.