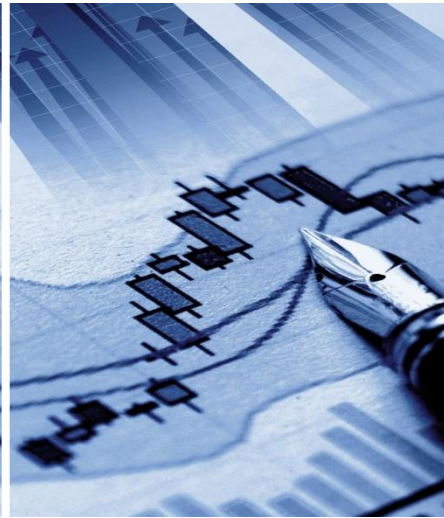


# Brookfield

## Helios Funds Supplemental Tax Information Calendar Year 2009





## Disclaimer

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This presentation is for informational purposes only and is intended solely for potential and current investors in the following funds:

- ▶ Helios Advantage Income Fund, Inc. (NYSE: HAV)
  - ▶ Helios High Income Fund, Inc. (NYSE: HIH)
  - ▶ Helios High Yield Fund (NYSE: HHY)
  - ▶ Helios Multi-Sector High Income Fund, Inc. (NYSE: HMH)
  - ▶ Helios Strategic Income Fund, Inc. (NYSE: HSA)
  - ▶ Helios Total Return Fund, Inc. (NYSE: HTR)
  - ▶ Helios Strategic Mortgage Income Fund, Inc. (NYSE: HSM)
- (each a “Fund”, collectively the “Funds” or the “Helios Funds”)*

Please be advised that the federal, state and local tax laws applicable to your investments are complex. In addition, state and local laws may differ substantially from state to state. The Helios Funds do not and cannot take into consideration these variations and we do not provide tax advice. Therefore, we strongly recommend that you consult your own tax advisor, who will be most familiar with your own circumstances and the laws of your home state, to determine how to report this information on your tax returns.

An investor should consider a fund's investment objectives, risks, charges and expenses carefully before investing.

## Income from U.S. Government Obligations

Included in the ordinary dividends reported in box 1a on Form 1099-DIV, may be income derived from obligations (direct and indirect) of the United States Government. Such income may be exempt from state or local taxation. The appropriate percentage of the total ordinary dividends for each type of U.S. Government obligation follows below. To determine the amount of income from each category, multiply the total ordinary dividends (box 1a on Form 1099-DIV) by the percentage noted.

| Fund  | U.S. Treasury Obligations <sup>1</sup> | Other Direct U.S. Government Obligations <sup>2</sup> | Other Indirect U.S. Government Obligations <sup>3</sup> |
|---|--|---|---|
| Helios Advantage Income Fund, Inc.          | 0.00%                                  | 0.00%   | 0.00%   |
| Helios High Income Fund, Inc.               | 0.00%                                  | 0.00%   | 0.00%   |
| Helios High Yield Fund                      | 0.00%                                  | 0.00%   | 0.00%   |
| Helios Multi-Sector High Income Fund, Inc.  | 0.00%                                  | 0.00%   | 0.00%   |
| Helios Strategic Income Fund, Inc.          | 0.00%                                  | 0.00%   | 0.00%   |
| Helios Total Return Fund, Inc.              | 1.71%                                  | 0.03%   | 27.11%  |
| Helios Strategic Mortgage Income Fund, Inc. | 5.67%                                  | 0.03%   | 24.73%  |

<sup>1</sup> Treasury Obligations include bills, notes and bonds.

<sup>2</sup> Other Direct U.S. Government Obligations include Federal Farm Credit Banks, Federal Home Bank and Student Loan Marketing Association.

<sup>3</sup> Other Indirect U.S. Government Obligations include Federal National Mortgage Association, Government National Mortgage Association and Federal Home Loan Mortgage Corporation.



## Qualified Dividend Income

A portion of the total ordinary dividends (box 1a on Form 1099-DIV) paid by the Funds during 2009 may be designated as qualified dividends (box 1b on Form 1099-DIV). Qualified dividends are dividends received by a fund (and paid to stockholders) from domestic corporations or qualified foreign corporations, provided that the fund has also met the required holding period (a fund must hold the security for greater than 60 days during the 121 day period beginning 60 days before the ex-dividend date). In order for the individual to report the amount of qualified dividends in box 1b as qualified dividend income, the stockholder must also satisfy the holding period requirement mentioned above with respect to his/her shares. If the holding period requirement is not satisfied, the qualified dividends will be taxed as ordinary dividend income.

| Fund  | % of Qualified Dividend Income |
|---|--------------------------------|
| Helios Advantage Income Fund, Inc.          | 1.59%                          |
| Helios High Income Fund, Inc.               | 1.59%                          |
| Helios High Yield Fund                      | 0.00%                          |
| Helios Multi-Sector High Income Fund, Inc.  | 1.75%                          |
| Helios Strategic Income Fund, Inc.          | 1.81%                          |
| Helios Total Return Fund, Inc.              | 0.00%                          |
| Helios Strategic Mortgage Income Fund, Inc. | 0.00%                          |