

HELIOS STRATEGIC MORTGAGE INCOME FUND, INC.

Form N-8F

December 26, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Form N-8F

### Application for Deregistration of Certain Registered Investment Companies

#### I. General Identifying Information

1. Reason fund is applying to deregister (check *only one*; for descriptions, *see* Instruction 1 above):

☒ **Merger**

☐ **Liquidation**

☐ **Abandonment of Registration**

(Note: Abandonments of Registration answer *only* questions 1 through 15, 24 and 25 of this form and complete verification at the end of the form.)

☐ Election of status as a **Business Development Company**

(Note: Business Development Companies answer *only* questions 1 through 10 of this form and complete verification at the end of the form.)

2. Name of Fund: Helios Strategic Mortgage Income Fund, Inc.

3. Securities and Exchange Commission File No.: 811-21102

4. Is this an initial Form N-8F or an amendment to a previously filed Form N-8F?

☒ Initial Application ☐ Amendment

5. Address of Principal Executive Office (include No. & Street, City, State, Zip Code):

Three World Financial Center, 200 Vesey Street  
New York, New York 10281-1010

6. Name, address and telephone number of individual the Commission staff should contact with any questions regarding this form:

Rachael L. Schwartz, Esq.

Paul Hastings LLP

75 E 55th Street

New York, New York 10022

(212) 318-6275

7. Name, address and telephone number of individual or entity responsible for maintenance and preservation of fund records in accordance with rules 31a-1 and 31a-2 under the Act [17 CFR 270.31a-1, .31a-2]:

Brookfield Investment Management Inc.  
Three World Financial Center, 200 Vesey Street  
New York, New York 10281-1010  
(800) 497-3746

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NOTE: *Once deregistered, a fund is still required to maintain and preserve the records described in rules 31-a and 31-a2 for the periods specified in those rules.*

8. Classification of fund (check only one):  
☒ Management company;  
☐ Unit investment trust; or  
☐ Face-amount certificate company.
9. Subclassification if the fund is a management company (check only one):  
☐ Open-end      ☒ Closed-end
10. State law under which the fund was organized or formed (*e.g.*, Delaware, Massachusetts):  
 Maryland
11. Provide the name and address of each investment adviser of the fund (including sub-advisers) during the last five years, even if the fund's contracts with those advisers have been terminated:  
 Brookfield Investment Management Inc.  
 Three World Financial Center, 200 Vesey Street  
 New York, New York 10281-1010
12. Provide the name and address of each principal underwriter of the fund during the last five years, even if the fund's contracts with those underwriters have been terminated:  
 The Fund has not made a public offering of its securities during the last five years and does not propose to make a public offering or engage in business of any kind.
13. If the fund is a unit investment trust (UIT) provide:  
 (a) Depositor's name(s) and address(es): Not applicable.  
 (b) Trustee's name(s) and address(es): Not applicable.
14. Is there a UIT registered under the Act that served as a vehicle for investment in the fund (*e.g.*, an insurance company separate account)?  
☐ Yes      ☒ No  
 If Yes, for each UIT state:  
 Name(s):  
 File No.: 811- \_\_\_\_\_  
 Business Address:
15. (a) Did the fund obtain approval from the board of directors concerning the decision to engage in a Merger, Liquidation or Abandonment of Registration?  
☒ Yes      ☐ No  
 If Yes, state the date on which the board vote took place: November 17, 2011.  
 If No, explain:
- (b) Did the fund obtain approval from the shareholders concerning the decision to engage in a Merger, Liquidation or Abandonment of Registration?  
☒ Yes      ☐ No

If Yes, state the date on which the shareholder vote took place: March 16, 2012.

If No, explain:

## II. Distributions to Shareholders

16. Has the fund distributed any assets to its shareholders in connection with the Merger or Liquidation?

☒ Yes ☐ No

(a) If Yes, list the date(s) on which the fund made those distributions: April 2, 2012.

(b) Were the distributions made on the basis of net assets?

☒ Yes ☐ No

(c) Were the distributions made *pro rata* based on share ownership?

☒ Yes ☐ No

(d) If No to (b) or (c) above, describe the method of distributions to shareholders. For Mergers, provide the exchange ratio(s) used and explain how it was calculated:

(e) *Liquidations only*: Not applicable.

Were any distributions to shareholders made in kind?

☐ Yes ☐ No

If Yes, indicate the percentage of fund shares owned by affiliates, or any other affiliation of shareholders:

17. *Closed-end funds only*:

Has the fund issued senior securities?

☐ Yes ☒ No

If Yes, describe the method of calculating payments to senior securityholders and distributions to other shareholders:

18. Has the fund distributed **all** of its assets to the fund's shareholders?

☒ Yes ☐ No

If No,

(a) How many shareholders does the fund have as of the date this form is filed?

(b) Describe the relationship of each remaining shareholder to the fund:

19. Are there any shareholders who have not yet received distributions in complete liquidation of their interests?

☐ Yes ☒ No

If Yes, describe briefly the plans (if any) for distributing to, or preserving the interests of, those shareholders:

## III. Assets and Liabilities

20. Does the fund have any assets as of the date this form is filed?

(See question 18 above)

☐ Yes ☒ No

If Yes,

- (a) Describe the type and amount of each asset retained by the fund as of the date this form is filed:
- (b) Why has the fund retained the remaining assets?
- (c) Will the remaining assets be invested in securities?

☐ Yes ☐ No

21. Does the fund have any outstanding debts (other than face-amount certificates if the fund is a face-amount certificate company) or any other liabilities?

☐ Yes ☒ No

If Yes,

- (a) Describe the type and amount of each debt or other liability:
- (b) How does the fund intend to pay these outstanding debts or other liabilities?

#### IV. Information about Event(s) Leading to Request for Deregistration

22. (a) List the expenses incurred in connection with the Merger or Liquidation:

- (i) Legal expenses: \$142,812
- (ii) Accounting expenses: \$0
- (iii) Other expenses (list and identify separately): \$232,339 (Mailing and solicitation: \$153,509; printing: \$71,330; transfer agent fees: \$7,500)
- (iv) Total expenses (sum of lines (i)-(iii) above): \$375,151

- (b) How were those expenses allocated? The expenses related to the Merger were borne by Helios Strategic Mortgage Income Fund, Inc. (the acquired fund) and Helios Total Return Fund, Inc. (the acquiring fund) in proportion to each fund's net assets.
- (c) Who paid those expenses? See response to question 22(b).
- (d) How did the fund pay for unamortized expenses (if any)? Not applicable.

23. Has the fund previously filed an application for an order of the Commission regarding the Merger or Liquidation?

☐ Yes ☒ No

If Yes, cite the release numbers of the Commission's notice and order or, if no notice or order has been issued, the file number and date the application was filed:

#### V. Conclusion of Fund Business

24. Is the fund a party to any litigation or administrative proceeding?

☐ Yes ☒ No

If Yes, describe the nature of any litigation or proceeding and the position taken by the fund in that litigation:

25. Is the fund now engaged, or intending to engage, in any business activities other than those necessary for winding up its affairs?

☐ Yes ☒ No

If Yes, describe the nature and extent of those activities:

**VI. Mergers Only**

26. (a) State the name of the fund surviving the Merger: Helios Total Return Fund, Inc.
- (b) State the Investment Company Act file number of the fund surviving the Merger:  
811-05820
- (c) If the merger or reorganization agreement has been filed with the Commission, state the file number(s), form type used and the date the agreement was filed:  
  
The Form of Agreement and Plan of Reorganization was filed with the Commission on Form N-14 (File No. 333-178129) on November 22, 2011. It was included as Appendix A to the Registration Statement.
- (d) If the merger or reorganization agreement has ***not*** been filed with the Commission, provide a copy of the agreement as an exhibit to this form.

**VERIFICATION**

The undersigned states that (i) he has executed this Form N-8F application for an order under section 8(f) of the Investment Company Act of 1940 on behalf of Helios Strategic Mortgage Income Fund, Inc., (ii) he is President of Helios Strategic Mortgage Income Fund, Inc., and (iii) all actions by shareholders, directors, and any other body necessary to authorize the undersigned to execute and file this Form N-8F application have been taken. The undersigned also states that the facts set forth in this Form N-8F application are true to the best of his knowledge, information and belief.

/s/ Kim G. Redding  
Name: Kim G. Redding  
Title: President

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