

**IndexIQ ETF Trust  
(the “Trust”)**

**Supplement dated December 16, 2011  
to the Summary Prospectus dated September 7, 2011**

**IQ Real Return ETF (CPI)**

*The following information supplements, and should be read in conjunction with, the Summary Prospectus for the IQ Real Return ETF (the “Fund”).*

The first sentence of the first paragraph in the section entitled “Principal Investment Strategies” on page 3 of the Summary Prospectus is hereby deleted in its entirety and replaced with the following:

The Fund is a “fund of funds” which means it invests, under normal circumstances, at least 80% of its net assets (excluding collateral held from securities lending), plus the amount of any borrowings for investment purposes, in the investments included in its Underlying Index, which includes underlying funds.

*Investors Should Retain This Supplement for Future Reference*

# IndexIQ ETF Trust



## IQ Real Return ETF CPI

*This summary prospectus is designed to provide investors with key fund information in a clear and concise format. Before you invest, you may want to review the Fund's full prospectus, which contains more information about the Fund and its risks. The Fund's full prospectus dated August 29, 2011 and statement of additional information dated August 29, 2011, and most recent annual report to shareholders, dated April 30, 2011, are all incorporated by reference into this Summary Prospectus. All this information may be obtained at no cost either: online at [indexiq.com/education.html](http://indexiq.com/education.html); by calling IndexIQ Funds at 888-934-0777 or by sending an email request to [info@indexiq.com](mailto:info@indexiq.com).*

## Summary Information

### IQ Real Return ETF

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#### Investment Objective

The Fund seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of its underlying index, the IQ Real Return Index (the "Underlying Index").

#### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund ("Shares"). Investors purchasing Shares on a national securities exchange, national securities association or over-the-counter trading system where Shares may trade from time to time (each, a "Secondary Market") may be subject to customary brokerage commissions charged by their broker which are not reflected in the table set forth below.

#### Shareholder Fees (fees paid directly from your investment):

No shareholder fees are levied by the Fund for purchases and sales made on the Secondary Market.

#### Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

Management Fee	0.48%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses	0.01%
Acquired Fund Fees & Expenses(a)	0.17%
Total Annual Fund Operating Expenses(a)	0.66%

(a) The Total Annual Fund Operating Expenses may not correlate to the ratio of expenses to average net assets as reported in the "Financial Highlights" section of the Prospectus, which reflects the operating expenses of the Fund and does not include Acquired Fund Fees & Expenses. Acquired Fund Fees & Expenses represent the Fund's pro rata share of fees and expenses incurred indirectly as a result of investing in other funds, including ETFs and money market funds.

**Example.** This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels. The return of 5% and estimated expenses are for illustration purposes

only, and should not be considered indicators of expected Fund expenses or performance, which may be greater or less than the estimates. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$67	\$211	\$368	\$822

### **Portfolio Turnover**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 52% of the average value of its portfolio.

### **Principal Investment Strategies**

The Fund is a “fund of funds” which means it invests, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the investments included in its Underlying Index, which includes underlying funds. The Underlying Index consists of a number of components (“Underlying Index Components”) selected in accordance with the rules-based methodology of such Underlying Index, which was developed by Financial Development Holdco LLC (“IndexIQ”), the parent company of IndexIQ Advisors LLC, the Fund’s investment advisor (the “Advisor”). Such Underlying Index Components will include primarily ETFs and/or other exchange-traded vehicles issuing equity securities organized in the U.S., such as exchange traded commodity pools (“ETVs”). The Fund may also invest in one or more financial instruments, including but not limited to futures contracts and swap agreements (collectively, “Financial Instruments”).

The Fund employs a “passive management” — or indexing — investment approach designed to track the performance of the Underlying Index. The Underlying Index seeks to provide investors with a hedge against the U.S. inflation rate by providing a “real return” or a return above the rate of inflation, as represented by the CPI (the “Strategy”). The CPI, or the Consumer Price Index, which is published by the Bureau of Labor Statistics, is a measure of the average change in prices over time of goods and services purchased by households. The CPI is reported with monthly frequency, but due to seasonality and other factors the monthly change in the CPI is reported both as the 1-month change and also on a rolling 12-month basis (the “Rolling 12-month CPI Returns”). It is the Rolling 12-month CPI Returns, not the monthly returns of the CPI, that the Underlying Index incorporates into its construction process.

The Underlying Index includes exposures to asset classes whose returns incorporate inflation expectations in an attempt to achieve its investment objective. This is based on the premise that capital market returns tend to be forward looking and anticipate economic developments, including inflation expectations. Since the Underlying Index's objective is to provide a "real return," as described above, the index construction process involves adding a real return target over and above the CPI returns and using the resulting "nominal returns" (i.e., inflation plus real return) to determine the weights of the Underlying Index Components.

The Underlying Index Components of this Strategy generally provide exposures to:

- U.S. large cap equity;
- U.S. small cap equity;
- Foreign equity (Europe, Australasia & Far East);
- U.S. government short-, intermediate-, and long-term maturity obligations;
- Foreign currencies and currency futures;
- U.S. real estate; and
- Commodities.

For additional information about the Fund's principal investment strategies, see "Additional Description of the Principal Strategies of the Funds."

### **Principal Risks**

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk and the Fund does not represent a complete investment program. As with all investments, you may lose money in the Fund. Therefore, you should consider carefully the following risks before investing in the Fund. A more complete discussion of Principal Risks is included under "Additional Description of the Principal Risks of the Funds."

#### *Fund of Funds Risk*

The Fund's investment performance, because it is a fund of funds, depends on the investment performance of the Underlying ETFs in which it invests.

#### *Underlying Funds Risk*

An investment in the Fund is subject to the risks associated with the Underlying ETFs that comprise the Fund's Underlying Index.

#### *Exchange Traded Vehicle Risk*

The value of a Fund's investment in ETFs, ETVs and exchange-traded notes ("ETNs") is based on stock market prices and the Fund could lose money due to stock market developments, the failure of an active trading market to develop or exchange trading halts or de-listings.

### *Index Risk*

The Underlying Index is new, has limited historical performance data, and may not be successful in replicating the performance of its target strategies.

### *Tracking Error Risk*

Although the Fund attempts to track the performance of its Underlying Index, the Fund may not be able to duplicate its exact composition or return for any number of reasons.

### *Market Risk*

The market price of investments owned by the Fund may go up or down, sometimes rapidly or unpredictably.

### *New Fund Risk*

The Fund is a new fund. As a new fund, there can be no assurance that it will grow to or maintain an economically viable size, in which case it may experience greater tracking error to its Underlying Index than it otherwise would at higher asset levels or it could ultimately liquidate.

### *Trading Price Risk*

Although it is expected that generally the market price of the Shares will approximate the Fund's NAV, there may be times when the market price in the Secondary Market and the NAV vary significantly.

### *Equity Securities Risk*

The Fund may have significant exposure to the equity markets through its investment in certain ETFs, which, in turn, may subject the Fund to certain risks, including price fluctuations in response to many factors.

### *Fixed Income Securities Risk*

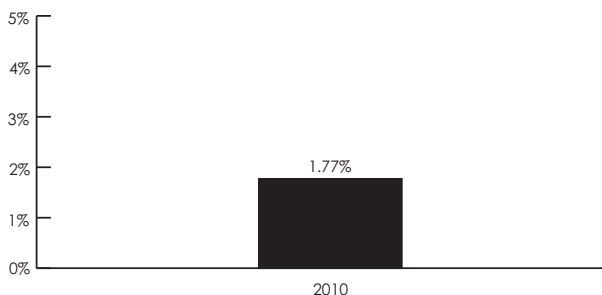
The Fund may have significant exposure to the fixed income markets through its investment in certain ETFs, which, in turn, may subject the Fund to certain risks, including credit risk and interest rate risk.

## **Performance Information**

The bar chart that follows shows the annual total returns of the Fund's for a full calendar year. The table that follows the bar chart shows the Fund's average annual total returns, both before and after taxes. The bar chart and table provide an indication of the risks of investing in the Fund by comparing the Fund's performance from year to year and by showing how the Fund's average annual returns for one calendar year compared with its underlying index and another broad measure of market performance. The Barclays Capital U.S. TIPS Index is an unmanaged market index comprised of all U.S. Treasury Inflation-Protected Securities rated investment grade (Baa3 or better), have at least one year to final maturity, and at least \$250 million par amount outstanding. The Barclays Capital U.S. Short Treasury

Bond Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of between 1 and 12 months.

All returns assume reinvestment of dividends and distributions. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Fund performance current to the most recent month-end is available by calling 1-888-934-0777 or by visiting [www.indexiq.com](http://www.indexiq.com).



The Fund's year-to-date total return as of the June 30, 2011 was -0.63%.

#### Best and Worst Quarter Returns (for the period reflected in the bar chart above)

	Return	Quarter/Year
Highest Return	0.72%	2Q/2010
Lowest Return	-0.08%	1Q/2010

#### Average Annual Total Returns as of December 31, 2010

Inception <sup>(1)</sup>	1 Year	Sinc
Returns before taxes	1.77%	1.57%
Returns after taxes on distributions <sup>(2)</sup>	1.77%	1.56%
Returns after taxes on distributions and sale of Fund shares	1.15%	1.33%
IQ Real Return Index (reflects no deduction for fees, expenses or taxes)	2.39%	2.57%
Barclays Capital U.S. TIPS Index (reflects no deduction for fees, expenses or taxes)	6.30%	6.90%
Barclays Capital U.S. Short Treasury Bond Index (reflects no deduction for fees, expenses or taxes)	0.29%	0.31%

(1) The Fund commenced operations on October 26, 2009.

(2) After-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown and are not relevant if you hold your shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

**Investment Advisor**

IndexIQ Advisors LLC, the Advisor, serves as the investment advisor to the Fund.

**Portfolio Manager**

Julie Abbett is Senior Vice President and Head of Portfolio Management for the Advisor. Ms. Abbett has been with the Advisor since September 2009 and has served as portfolio manager of the Fund since February 2011.

**Purchase and Sale of Fund Shares**

Unlike conventional mutual funds, the Fund issues and redeems Shares on a continuous basis, at net asset value ("NAV"), only in blocks of 50,000 Shares or whole multiples thereof ("Creation Units"). The Fund's Creation Units are issued and redeemed principally in-kind for securities included in the Fund. Retail investors may acquire Shares on NYSE Arca, Inc. through a broker-dealer. Shares of the Fund will trade at market price rather than NAV. As such, Shares may trade at a price greater than NAV (premium) or less than NAV (discount).

**Tax Information**

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains.

**Financial Intermediary Compensation**

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Advisor may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.



**IndexIQ ETF Trust**

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[www.indexiq.com](http://www.indexiq.com)

View the Fund's statutory prospectus or statement of additional information online at: [indexiq.com/education.html](http://indexiq.com/education.html)