

**Index Strategy**

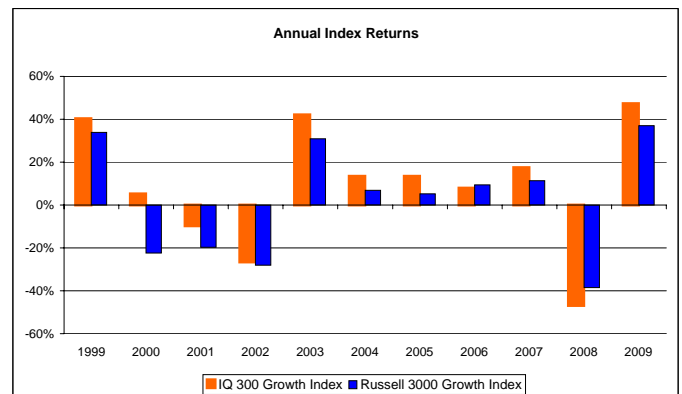
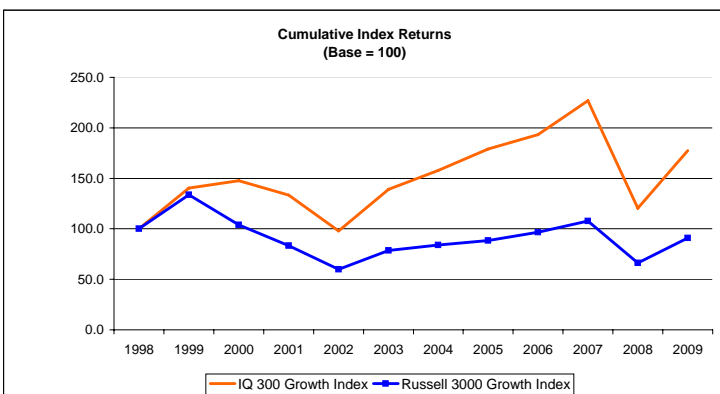
IQ 300 Growth seeks to identify companies poised for sustainable growth. Based on a proprietary construction process that accounts for a variety of historical and projected fundamental factors, IQ 300 Growth seeks to identify the growth engines driving leading businesses of the US economy.

IndexIQ's products are based on a patent-pending construction process that utilizes sophisticated quantitative research, multi-factor fundamental models, and a proprietary non-market capitalization weighting system. IndexIQ's products bridge the gap between traditional passive indexes and actively managed funds by retaining the rules based methodologies, tax efficiency and low cost of index investing, while generating the alpha sought after by the best active managers.

**Index Performance\***

Annualized Returns	1 year	3 year	5 year	10 year
IQ 300 Growth Index	47.3%	-2.8%	2.4%	2.4%
Russell 3000 Growth Index	37.0%	-2.1%	1.6%	-3.8%

Annual Returns	2009	2008	2007	2006	2005	2004	2003
IQ 300 Growth Index	47.3%	-46.9%	17.4%	7.9%	13.5%	13.4%	42.1%
Russell 3000 Growth Index	37.0%	-38.4%	11.4%	9.5%	5.2%	6.9%	31.0%


**10-Year Index Performance Consistency Analysis vs. Russell 3000 Growth Index (as of 12/31/09)**

Number of Years Above Russell 3000 Growth	8/10	Number of Positive Years - IQ 300 Growth	7/10
Average Annual Return Above Russell 3000 Growth	10.2%	Number of Positive Years - Russell 3000 Growth	6/10
Number of Years Below Russell 3000 Growth	2/10	Number of Negative Years - IQ 300 Growth	3/10
Average Annual Return Below Russell 3000 Growth	-5.0%	Number of Negative Years - Russell 3000 Growth	4/10

\*Performance information prior to July 27, 2007 is based on a hypothetical backtest based on rules used in the creation of the Index, is not a guarantee of future performance and is not indicative of any specific investment. Actual results may differ. Indexes are not managed investment products and cannot be invested in directly. The illustrations and performance-related data do not represent the performance of any particular investment. Performance data for the Index assumes reinvestment of dividends and is net of the management fees of Index components, as applicable, but does not reflect any management fees, transaction costs or other expenses that would be incurred by a fund, or brokerage commissions on transactions in a fund's shares. **Past performance does not guarantee future results.** Benchmark returns are total returns. Sources: IndexIQ, FactSet, Bloomberg and S&P Custom Index Calculation.



# IQ® 300 Growth Index

Fact Sheet 12/31/2009

Bloomberg Ticker: IQ300G

## Basic Facts<sup>1</sup>

Number of Components	299
Reconstitution Frequency	Annual
Largest Weight	1.50%
Smallest Weight	0.13%
Turnover	62.37%

Maximum Market Capitalization	\$323.72 bn
Minimum Market Capitalization	\$1.21 bn
Weighted Avg. Market Capitalization	\$17.56 bn
Median Market Capitalization	\$7.06 bn

## Index Statistics<sup>1</sup>

10-Year Index Statistics	IQ 300 Growth Index	Russell 3000 Growth Index
Alpha	7.08%	N/A
Sharpe Ratio	0.095	-0.244
Volatility	21.88%	19.20%
R-Squared	0.88	1.00
Beta	1.07	1.00

## Index Composition<sup>1</sup>

IQ 300 Growth Index Sector Analysis	
Sector	Weight (%)
Consumer Discretionary	20.44%
Information Technology	18.87%
Health Care	17.39%
Industrials	12.08%
Energy	9.50%
Financials	8.66%
Materials	4.93%
Consumer Staples	4.17%
Utilities	2.59%
Telecommunication Services	1.37%

IQ 300 Growth Index Top 20 Holdings			
Name	Ticker	Weight (%)	
Amazon.com Inc	AMZN	1.50%	
Marvel Entertainment Inc	MVL	1.33%	
Intuitive Surgical Inc	ISRG	1.27%	
Masimo Corp	MASI	1.15%	
Vmware Inc	VMW	1.09%	
Continental Resources Inc/OK	CLR	0.97%	
NIH Holding B	NIHD	0.95%	
Priceline.com Inc	PCLN	0.90%	
Urban Outfitters	URBN	0.82%	
Guess? Inc	GES	0.78%	
IntercontinentalExchange	ICE	0.77%	
Southwestern Energy Co	SWN	0.74%	
Ultra Petroleum Corp	UPL	0.73%	
Starbucks Corp	SBUX	0.69%	
Apple Inc.	AAPL	0.68%	
Strayer Education Inc	STRA	0.67%	
Coventry Health Care Inc	CVH	0.65%	
Carmax Inc	KMX	0.64%	
Textron Inc	TXT	0.63%	
Google Inc	GOOG	0.63%	

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<sup>1</sup> Statistics are annualized based on monthly returns for period ending as of the date of this fact sheet and are relative to benchmark, as applicable. Source: FactSet, Bloomberg and S&P Custom Index Calculation.

Alpha is a measure of a portfolio's actual excess returns and expected performance, given its level of risk (as measured by Beta).

Sharpe Ratio is a measure of a portfolio's risk-adjusted performance (excess return per unit of risk).

Volatility is a measure of the range of a portfolio's performance, meaning the degree to which it rises above and falls below its average return.

R-Squared is a measure of how closely performance can be explained by the performance of the benchmark index (in this case, how closely performance correlates with the Russell 3000 Growth Index).

Beta reflects the sensitivity of a portfolio's return to fluctuations in the market (in this case, as measured by the Russell 3000 Growth Index).

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