

Index Strategy

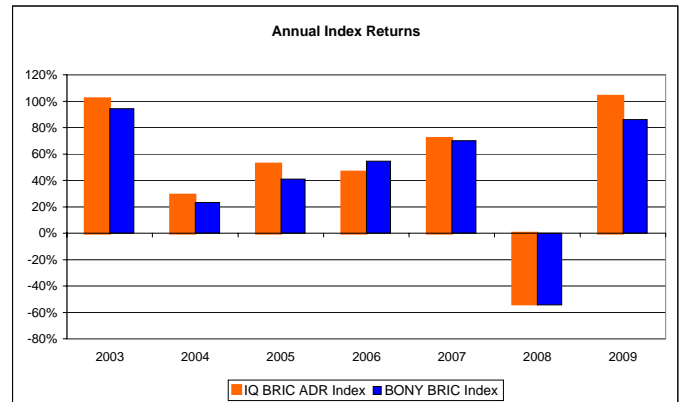
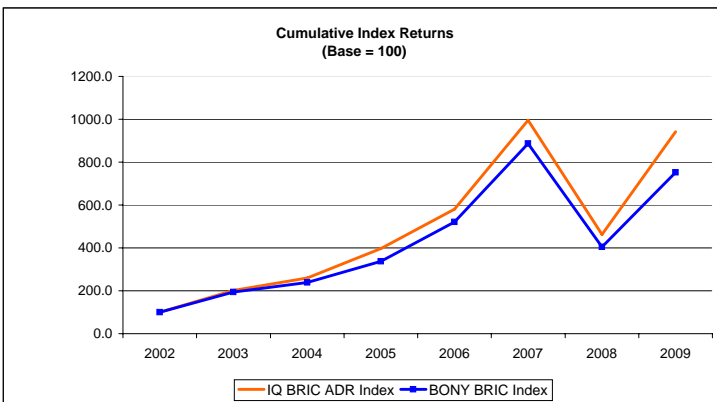
The IQ BRIC ADR Index seeks to identify top performing BRIC-domiciled (Brazil, Russia, India, and China) companies that trade on U.S. exchanges and are well-positioned to leverage their long-term competitive advantage. The Index uses fundamental factors to select and weight companies that are poised to continue driving strong global operational performance and sustainable, long-term equity appreciation.

IndexIQ 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 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
IQ BRIC ADR Index	103.8%	17.5%	29.4%
BONY BRIC Index	86.0%	13.0%	25.7%

Annual Returns	2009	2008	2007	2006	2005	2004	2003
IQ BRIC ADR Index	103.8%	-53.6%	71.6%	46.3%	52.4%	28.9%	101.8%
BONY BRIC Index	86.0%	-54.4%	70.0%	54.5%	41.0%	23.2%	94.3%



5-Year Index Performance Analysis vs. BONY BRIC Index (as of 12/31/09)

Number of Years Above BONY BRIC	4/5	Number of Positive Years - IQ BRIC ADR	4/5
Average Annual Return Above BONY BRIC	7.9%	Number of Positive Years - BONY BRIC	4/5
Number of Years Below BONY BRIC	1/5	Number of Negative Years - IQ BRIC ADR	1/5
Average Annual Return Below BONY BRIC	-8.2%	Number of Negative Years - BONY BRIC	1/5

*Performance information prior to December 31, 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.



Basic Facts¹

Number of Components	29
Reconstitution Frequency	Annual
Largest Weight	11.24%
Smallest Weight	0.10%
Turnover	12.06%

Maximum Market Capitalization	\$217.72 bn
Minimum Market Capitalization	\$2.75 bn
Weighted Avg. Market Capitalization	\$80.30 bn
Median Market Capitalization	\$18.43 bn

Index Statistics¹

5-Year Index Statistics	IO BRIC ADR Index	BONY BRIC Index
Alpha	1.94%	N/A
Sharpe Ratio	0.832	0.789
Volatility	35.52%	32.69%
R-Squared	0.97	1.00
Beta	1.07	1.00

Index Composition¹

IO BRIC ADR Index Sector Analysis	
Name	Weight
Financials	37.31%
Materials	21.86%
Energy	17.88%
Telecommunication Services	8.92%
Information Technology	6.46%
Consumer Staples	4.57%
Utilities	1.98%
Industrials	1.03%

IO BRIC ADR Index Top 10 Holdings				
Name	Exchange	Ticker	Weight (%)	
Itau Unibanco Holding SA - ADR	NYSE	ITUB	11.24%	
Banco Bradesco SA Prf ADR	NYSE	BBD	11.02%	
Vale S.A. - ADR	NYSE	VALE	10.83%	
Icici Bank Ltd ADR	NYSE	IBN	8.33%	
Petrochina Co H ADR	NYSE	PTR	7.92%	
Petrobras SA ADR	NYSE	PBR	7.77%	
China Life Insurance Co Ltd (ADR)	NYSE	LFC	6.72%	
Infosys Technology ADR	NASDAQ	INFY	6.11%	
Gerdau SA ADR	NYSE	GGB	5.12%	
Companhia Siderurgica Nacional ADR	NYSE	SID	4.24%	

IO BRIC ADR Index Country Analysis			
Name	Exchange	Weight (%)	
Brazil	NYSE	58.36%	
China	NYSE	18.75%	
India	NYSE, NASDAQ	15.73%	
Russia	NYSE, NASDAQ	7.17%	

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¹ 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 BONY BRIC Index).

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

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