



Index Strategy

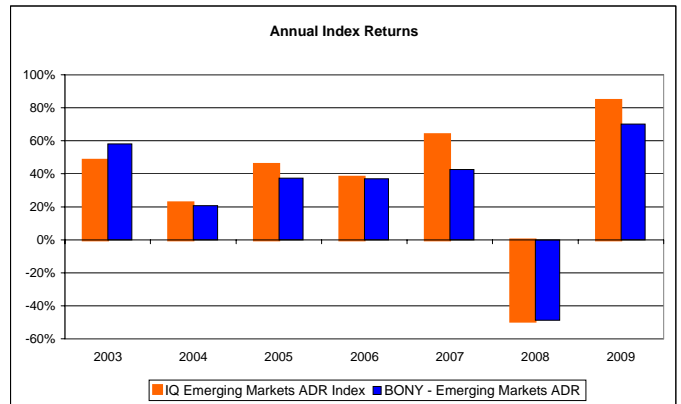
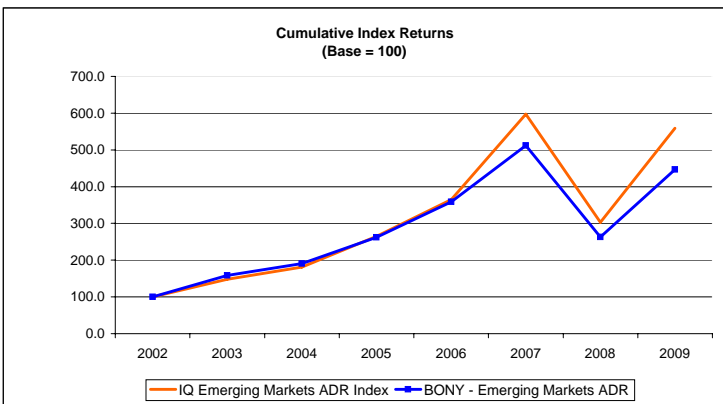
The IQ Emerging Markets ADR Index seeks to identify top performing emerging markets companies that trade on U.S. exchanges and are well-positioned to leverage their long-term competitive advantage. The Index uses fundamental factors to select and weight companies that are poised to continue driving strong 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 Emerging Markets ADR Index	84.5%	15.3%	25.2%
BONY - Emerging Markets ADR	70.2%	7.6%	18.6%

Annual Returns	2009	2008	2007	2006	2005	2004	2003
IQ Emerging Markets ADR Index	84.5%	-49.3%	63.7%	38.0%	45.7%	22.4%	48.2%
BONY - Emerging Markets ADR	70.2%	-48.7%	42.6%	37.0%	37.3%	20.6%	58.1%



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

Number of Years Above BONY - EM ADR	4/5	Number of Positive Years - IQ EM ADR	4/5
Average Annual Return Above BONY - EM ADR	11.2%	Number of Positive Years - BONY - EM ADR	4/5
Number of Years Below BONY - EM ADR	1/5	Number of Negative Years - IQ EM ADR	1/5
Average Annual Return Below BONY - EM ADR	-0.5%	Number of Negative Years - BONY - EM ADR	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.



IQ® Emerging Markets ADRIndex

Fact Sheet 12/31/2009

Bloomberg Ticker: IQEM

Basic Facts¹

Number of Components	82
Reconstitution Frequency	Annual
Largest Weight	11.73%
Smallest Weight	0.01%
Turnover	18.23%

Maximum Market Capitalization	\$120.95 bn
Minimum Market Capitalization	\$1.58 bn
Weighted Avg. Market Capitalization	\$45.18 bn
Median Market Capitalization	\$9.22 bn

Index Statistics¹

5-Year Index Statistics	IQ Emerging Markets ADR Index	BONY Emerging Markets ADR Index
Alpha	5.16%	N/A
Sharpe Ratio	0.833	0.662
Volatility	29.14%	27.63%
R-Squared	0.98	1.00
Beta	1.04	1.00

Index Composition¹

IQ Emerging Markets ADR Index Sector Analysis	
Name	Weight
Financials	23.42%
Materials	23.08%
Information Technology	14.79%
Telecommunication Services	11.73%
Energy	9.31%
Health Care	8.07%
Consumer Staples	5.27%
Consumer Discretionary	1.75%
Utilities	1.34%
Industrials	1.25%

IQ Emerging Markets ADR Index Top 10 Holdings				
Name	Exchange	Ticker	Weight (%)	
Banco Bradesco SA Prf ADR	NYSE	BBD	11.73%	
Vale S.A. - ADR	NYSE	VALE	11.53%	
Petrobras SA ADR	NYSE	PBR	8.27%	
Itau Unibanco Holding SA - ADR	NYSE	ITUB	8.17%	
Teva Pharmaceutical Industries ADR	NASDAQ	TEVA	7.71%	
America Movil Sa de CV L ADR	NYSE	AMX	6.12%	
Baidu.com ADR	NASDAQ	BIDU	5.36%	
Taiwan Semicond Mnfr ADR	NYSE	TSM	4.38%	
Companhia de Bebidas das Americas ADR	NYSE	ABV	2.70%	
Gerdau SA ADR	NYSE	GGB	2.08%	

IQ Emerging Markets ADR Index Country Analysis		
Name	Exchange	Weight (%)
Brazil	NYSE, NASDAQ	48.95%
Mexico	NYSE	11.74%
Israel	NASDAQ	8.83%
China	NYSE, NASDAQ	7.87%
Taiwan	NYSE, NASDAQ	5.37%
India	NYSE, NASDAQ	4.73%
Russia	NYSE, NASDAQ	3.72%
South Korea	NYSE	3.34%
South Africa	NYSE	3.08%
Chile	NYSE	0.99%
Other	n/a	1.38%

*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.

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 EM ADR Index).

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

The data included herein is proprietary to IndexIQ and is protected by copyright and other intellectual property laws. The unauthorized copying, redistribution, sale, retransmission or other transfer to a third party of this data is strictly prohibited. IndexIQ does not guarantee the accuracy or completeness of the Index, makes no express or implied warranties with respect to the Index and shall have no liability for any damages, claims, losses or expenses caused by errors in the Index calculation or for any decision made or action taken by any third party in reliance upon the data. The index is the exclusive property of IndexIQ which has contracted with Standard & Poor's ("S&P") to maintain and calculate the Index. S&P shall have no liability for any errors or omissions in calculating the Index.

The material contained in this document is for general information purposes only and is not intended as an offer or a solicitation for the purchase and/or sale of any security or financial instrument, nor is it advice or a recommendation to enter into any transaction. This material is based on information that is considered to be reliable, but IndexIQ and its related entities (collectively "IndexIQ") make this information available on an "as is" basis and make no warranties, express or implied regarding the accuracy of the information contained herein, for any particular purpose. IndexIQ, its affiliates and its independent providers are not liable for any information errors, incompleteness, or delays, or for any actions taken in reliance on information contained herein. Nothing contained in this material is intended to constitute legal, tax, securities, financial or investment advice, nor an opinion regarding the appropriateness of any investment. The information herein should not be acted upon without obtaining specific legal, tax or investment advice from a licensed professional.

© 2009 IndexIQ. All rights reserved. Any unauthorized use, disclosure, copying, dissemination, or redistribution of this information is strictly prohibited.