



IQ[®] ALPHA Hedge Index

Fact Sheet 3/31/2010

Index description

The objective of the IQ ALPHA Hedge Index is to provide superior returns and lower volatility relative to the S&P 500[®] Index. The Index also seeks to provide correlation that is similar to the correlation between hedge funds generally and the S&P 500[®] Index.

Features and benefits

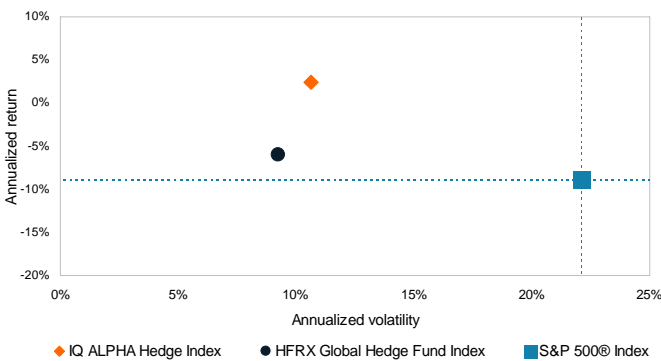
- Seeks hedge fund-like performance
- Seeks low correlation to equity markets
- Daily Pricing
- Portfolio transparency
- No hedge fund manager-specific risk
- Rules-based approach

Index data

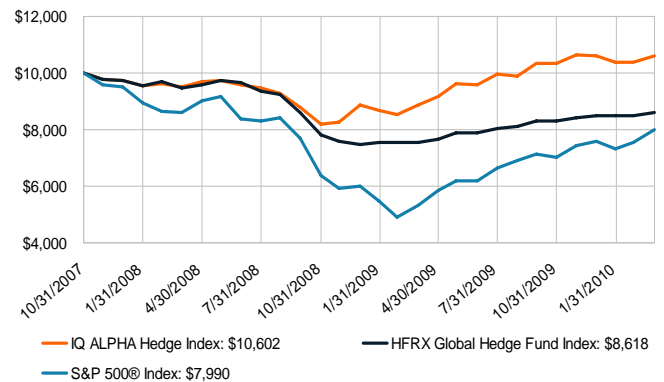
Index Symbol **IQHGALPH**

Performance history

Index risk/return profile (10/31/2007 – 3/31/2010)



Index growth of \$10,000 (10/31/2007 – 3/31/2010)



Index History	QTR		YTD		1-year		3-year †			5-year †		
	Return	Return	Return	Volatility ¹	Return/ Volatility ¹	Return	Volatility ¹	Return/ Volatility ¹	Return	Volatility ¹	Return/ Volatility ¹	
IQ ALPHA Hedge Index	0.16%	0.16%	19.52%	8.34%	2.34	n/a	n/a	n/a	n/a	n/a	n/a	
S&P 500[®] Index	5.39%	5.39%	49.77%	13.34%	3.73	-4.17%	20.37%	-0.20	1.92%	16.31%	0.12	
HFRX Global Hedge Fund Index	1.63%	1.63%	14.44%	3.47%	4.16	-3.19%	8.94%	-0.36	0.89%	7.47%	0.12	

† annualized

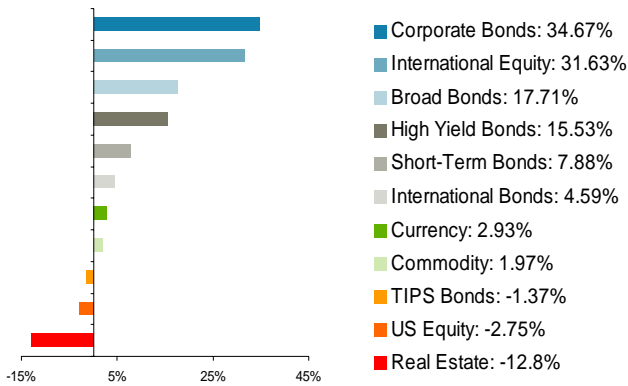
Index inception date: October 31, 2007. Indexes are not managed investment products and cannot be invested in directly. The illustrations and performance-related data do not represent the performance of any particular investment. Performance data for the Index assumes reinvestment of dividends and is 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. Results prior to the Index component's existence as an ETF, as applicable, are based on its underlying index, which do not reflect underlying management fees. Past performance does not guarantee future results. Sources: IndexIQ, FactSet, Bloomberg and S&P Custom Index Calculation.



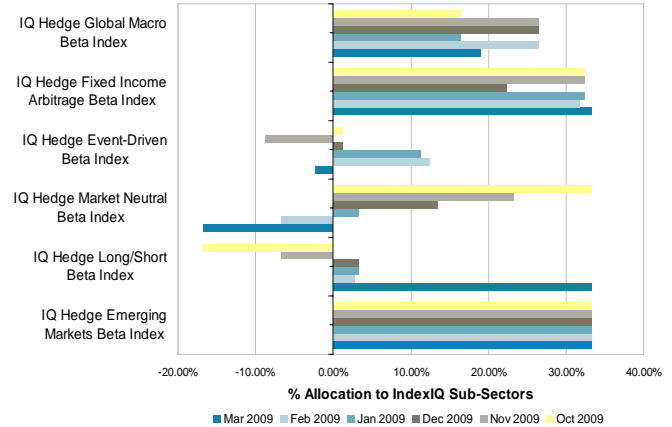
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Asset allocation² (3/31/10)



Monthly allocations – 6 month



Top 10 index holdings² (3/31/10)

Ticker	Name	Weight
LQD	iShares iBoxx \$ Investment Grade Corporate Bond Fund	33.26%
EEM	iShares MSCI Emerging Markets Index Fund	15.38%
AGG	iShares Barclays Aggregate Bond Fund	10.88%
VVO	Vanguard Emerging Markets ETF	9.37%
HYG	iShares iBoxx \$ High Yield Corporate Bond Fund	8.63%
VNQ	Vanguard REIT ETF	-7.60%
JNK	SPDR Barclays Capital High Yield Bond ETF	6.90%
BND	Vanguard Total Bond Market ETF	6.62%
EFA	iShares MSCI EAFE Index Fund	6.11%
DBV	PowerShares DB G10 Currency Harvest Fund	5.46%

Index maximum drawdown analysis (10/31/07 – 3/31/10)

	IQ ALPHA Hedge Index	S&P 500® Index	HFRX Global Hedge Fund Index
Maximum Drawdown	-18.01%	-50.95%	-25.21%
Drawdown Start	10/31/07	10/31/07	10/31/07
Drawdown End	10/31/08	2/27/09	12/31/08
Recovery Date	9/30/09	n/a	n/a

The maximum drawdown analysis measures the largest decline between any two points in the monthly return history of the respective indexes, and indicates the time period during which such drawdown occurred, as well as the date on which the index's returns had fully recovered (if applicable) all losses incurred during the drawdown period.

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The S&P 500® Index is an unmanaged index considered representative of the U.S. stock market (performance data assumes reinvestment of dividends, but it does not reflect management fees, transaction costs or other expenses). The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. Sources for IndexIQ and benchmark data: IndexIQ, FactSet, Bloomberg.

¹**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: **Return/Volatility** is a portfolio's annualized 5-year return divided by its annualized 5-year standard deviation.

²Demonstrates the allocations of the Index to the various asset classes represented by the Index's underlying ETFs. "Inverse" exposure, if any, reflects short exposure achieved through a long position in an inverse (or ultra inverse) ETF.

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