



IQ[®] CPI Inflation Hedged Index

Fact Sheet 12/31/2009

Index description

The IQ CPI Inflation Hedged Index seeks to provide investors with a hedge against changes in the U.S. inflation rate by providing a “real return,” or a return above the rate of inflation, as represented by the Consumer Price Index (the “CPI”). The CPI is a measure of the average change in prices over time of goods and services purchased by households and a widely-recognized barometer of inflation in the U.S.

Features and benefits

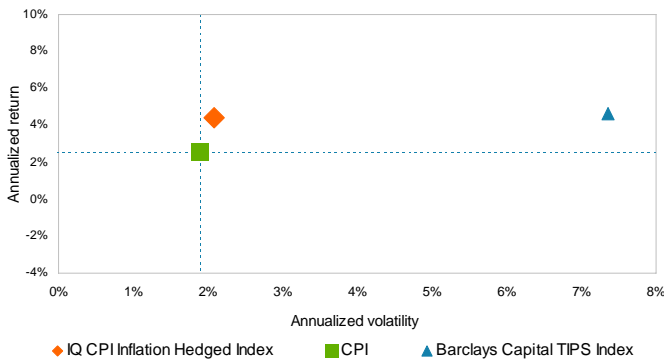
- Seeks to provide a hedge against inflation
- Seeks to provide a low volatility “real return” (i.e., return above inflation)
- Portfolio transparency – holdings available daily
- Rules-based approach

Index data¹ (1-year)

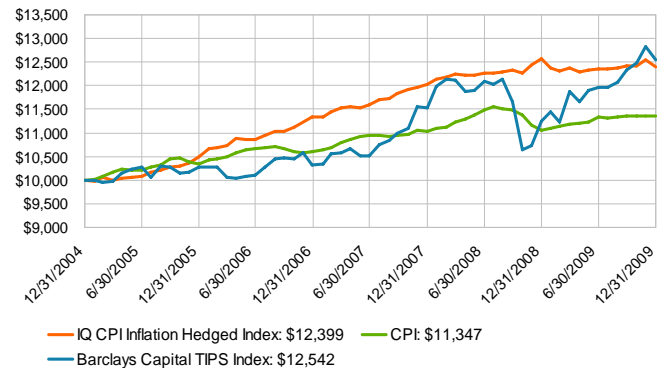
Index Symbol	IQHGCPIT
IQHGCPIT Real Return*	-4.14%
TIPS Real Return*	8.69%
IQHGCPIT Volatility	2.58%
TIPS Volatility	7.95%
CPI Volatility	0.99%
IQHGCPIT Correlation*	-45.40%
TIPS Correlation*	53.73%
* vs. CPI	

Performance history

Index risk/return profile (5-year)



Index growth of \$10,000 (5-year)



Index History	1-year			3-year †			5-year †			Life ‡
	Return	Volatility	Return/ Volatility	Return	Volatility	Return/ Volatility	Return	Volatility	Return/ Volatility	Return
IQ CPI Inflation Hedged Index	-1.42%	2.58%	-0.55	3.05%	2.14%	1.43	4.39%	2.08%	2.12	n/a
CPI	2.72%	0.99%	2.74	2.28%	2.04%	1.12	2.56%	1.89%	1.35	n/a
Barclays Capital TIPS Index	11.41%	7.95%	1.44	6.69%	8.85%	0.76	4.63%	7.35%	0.63	n/a

‡ annualized

Note: Inflation typically is analyzed on a year-over-year (rolling 12-month) basis, and therefore YTD and Quarterly performance is not shown. For periods greater than 12 months, returns are annualized to be comparable to the compounded growth rate of inflation.

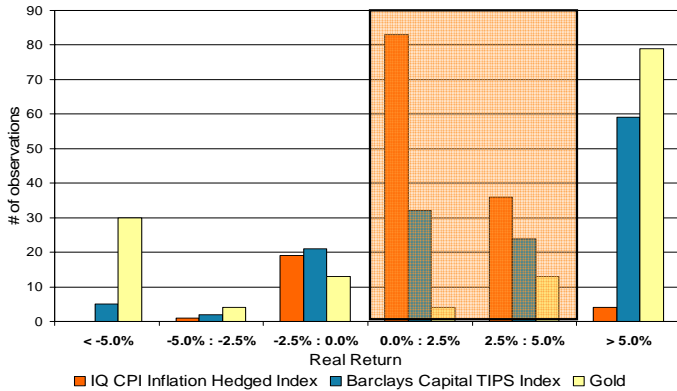
Performance information prior to December 31, 2008 is based on a hypothetical backtest based on rules used in the creation of the Index, is not a guarantee of future performance and is not indicative of any specific investment. Actual results may differ. Indexes are not managed investment products and 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. 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. Benchmark returns are total returns. Sources: IndexIQ, FactSet, Bloomberg and S&P Custom Index Calculation.



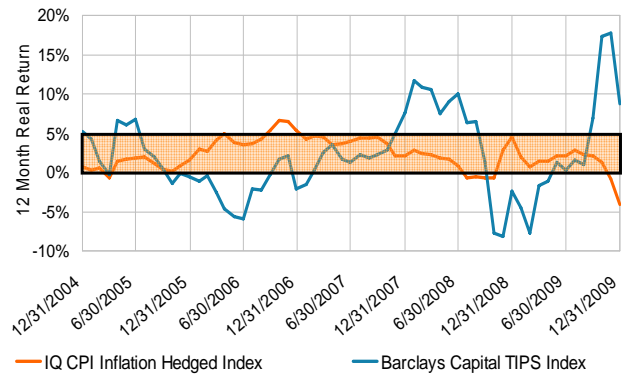
IQ[®] CPI Inflation Hedged Index

Fact Sheet 12/31/2009

Distribution of 12 month index real returns² (1998-2009)



Rolling 12 month index real returns (5-year)



Top index holdings

Ticker	Name	Weight
SHV	iShares Barclays Short Treasury Bond Fund	54.96%
BIL	SPDR Barclays Capital 1-3 Month T-Bill ETF	26.17%
TLT	iShares Barclays 20+ Year Treasury Bond Fund	8.97%
GLD	SPDR Gold Shares	4.71%
FXV	CurrencyShares Japanese Yen Trust	3.37%

Asset class exposures (through ETF holdings) vary based on monthly rebalance. Available asset classes include: U.S. Large Cap Equity; U.S. Small Cap Equity; International Equity; British Pounds; Euro; Japanese Yen; Real Estate; Oil; Gold; Short Term U.S. Treasury Bills; and Long Term U.S. Treasury Bonds.

Index maximum drawdown analysis (5-year)

	IQ CPI Inflation Hedged Index	CPI	Barclays Capital TIPS Index
Maximum Drawdown	-2.25%	-4.43%	-12.22%
Drawdown Start	12/31/08	7/31/08	2/29/08
Drawdown End	4/30/09	12/31/08	10/31/08
Recovery Date	n/a	n/a	9/30/09

The maximum drawdown analysis measures the largest decline between any two points in the monthly 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.

Performance information prior to December 31, 2008 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. 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. Benchmark returns are total returns. Sources: IndexIQ, FactSet, Bloomberg and S&P Custom Index Calculation.

The Consumer Price Index (the "CPI") is published by the Bureau of Labor Statistics. The CPI is a measure of the average change in prices over time of goods and services purchased by households. References to "TIPS" apply to the Barclays Capital U.S. TIPS Index. The Barclays Capital U.S. TIPS Index measures the performance of inflation protected public obligations of the U.S. Treasury, also known as "TIPS". Sources for IndexIQ and benchmark data: IndexIQ, FactSet, Bloomberg, and www.BLS.gov.

¹**Real Return** reflects the excess return over the rate of inflation (as measured by the Consumer Price Index, or "CPI"); **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; **Correlation** is a measure of the relationship between two variables (e.g., portfolio returns and the CPI).

²Reflects distribution of historical 12 month real returns for each calendar month between February 1998, which is 12 months from the inception of TIPS (March 1997), and September 2009. "Gold" refers to the spot price of gold (London 4:00 pm close) and is included because gold is traditionally viewed as an inflation hedge.

IndexIQ shall not be liable to any person for any error in the Index nor shall it be under any obligation to advise any person of any error therein.

The material contained in this document is for general information purposes only and 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.

The IQ CPI Inflation Hedged 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. IndexIQ[®] and IQ[®] are registered service marks of IndexIQ.

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