



IQ[®] Hedge Macro Index

Fact Sheet 3/31/2010

Index description

The IQ Hedge Macro Index attempts to replicate the risk-adjusted return characteristics of a combination of hedge funds pursuing a macro strategy and hedge funds pursuing an emerging markets strategy.

The Index does not include hedge funds as components. One cannot invest directly in an index.

Features and benefits

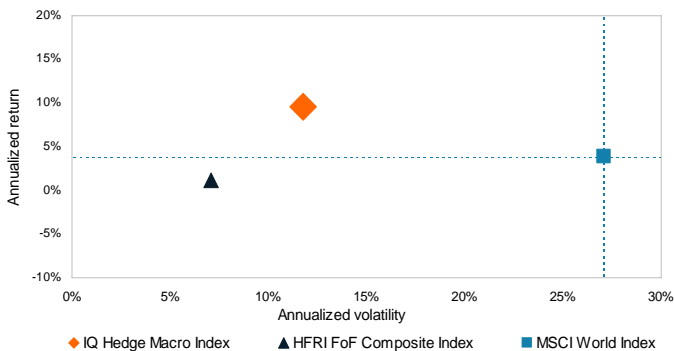
- Directional strategy seeking performance similar to overall macro and emerging markets hedge fund universe
- Emerging markets focus
- Real-time Index pricing
- Index portfolio transparency
- Rules-based approach

Index data¹ (5-year)

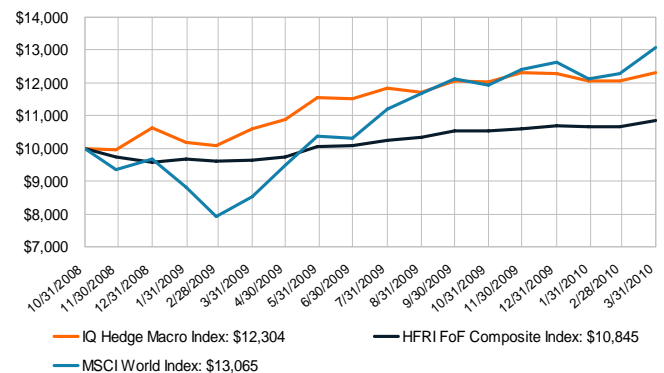
| | |
|-----------------------------|---------|
| Index Symbol - Price | IQHGMA |
| Index Symbol - Total Return | IQHGMAT |

Performance history

Index risk/return profile (9/30/2008 – 3/31/2010)



Index growth of \$10,000 (9/30/2008 – 3/31/2010)



| Index History | QTR | | YTD | | 1-year | | | 3-year † | | | 5-year † | | |
|---------------------------------|--------|-------------------------|--------|-------------------------|--------|-------------------------|--------------------------------|----------|-------------------------|--------------------------------|----------|-------------------------|--------------------------------|
| | Return | Volatility ¹ | Return | Volatility ¹ | Return | Volatility ¹ | Return/Volatility ¹ | Return | Volatility ¹ | Return/Volatility ¹ | Return | Volatility ¹ | Return/Volatility ¹ |
| IQ Hedge Macro Index | 0.10% | 7.96% | 0.10% | 7.96% | 16.25% | 7.96% | 2.04 | n/a | n/a | n/a | n/a | n/a | n/a |
| MSCI World Index | 3.35% | 15.99% | 3.35% | 15.99% | 53.23% | 15.99% | 3.33 | -4.85% | 22.16% | -0.22 | 3.45% | 17.80% | 0.19 |
| HFRI FoF Composite Index | 1.45% | 3.47% | 1.45% | 3.47% | 12.66% | 3.47% | 3.65 | -1.69% | 7.74% | -0.22 | 2.91% | 6.72% | 0.43 |

† annualized

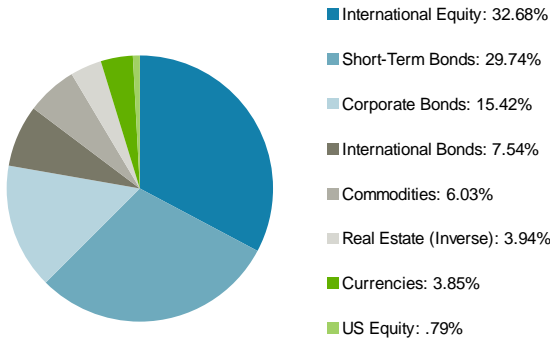
Index inception date: September 15, 2008. Indexes are not managed investment products and cannot be invested in directly. The illustrations and performance-related data do not represent the performance of any particular investment. Performance data for the Index assumes reinvestment of dividends and 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.



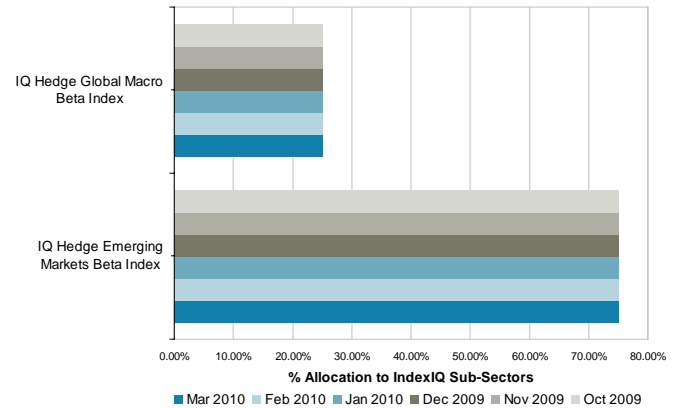
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Asset allocation² (3/31/2010)



Monthly allocations – 6 month



Top 10 index holdings² (3/31/2010)

| Ticker | Name | Weight |
|--------|---|--------|
| EEM | iShares MSCI Emerging Markets Index Fund | 20.31% |
| SHY | iShares Barclays 1-3 Year Treasury Bond Fund | 15.53% |
| LQD | iBoxx \$ Investment Grade Corporate Bond Fund | 14.79% |
| VVO | Vanguard Emerging Markets ETF | 12.38% |
| BSV | Vanguard Short-Term Bond ETF | 8.45% |
| DBC | PowerShares DB Commodity Index Tracking Fund | 6.03% |
| SHV | iShares Barclays Short Treasury Bond Fund | 3.96% |
| SRS | ProShares UltraShort Real Estate | 3.94% |
| DBV | PowerShares DB G10 Currency Harvest Fund | 3.85% |
| BWX | SPDR Barclays Capital International Treasury Bond ETF | 3.18% |

Index maximum drawdown analysis (9/30/2008-3/31/2010)

| | IQ Hedge Macro Index | MSCI World Index | HFRI FoF Composite Index |
|-------------------------|----------------------|------------------|--------------------------|
| Maximum Drawdown | -4.85% | -20.76% | -4.09% |
| Drawdown Start | 12/31/08 | 10/31/08 | 10/31/08 |
| Drawdown End | 2/27/09 | 2/27/09 | 12/31/08 |
| Recovery Date | 4/30/09 | 5/29/2009 | 5/29/2009 |

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 MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets (performance data assumes reinvestment of dividends, but it does not reflect management fees, transaction costs or other expenses). HFRI Fund of Funds Composite Index ("HFRI FoF Composite Index") is an equally weighted hedge fund index including over 800 domestic and off-shore fund of funds. The index is rebalanced monthly with performance updates three times per month. 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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