



IQ[®] Hedge Multi-Strategy Index

Fact Sheet 3/31/2010

Index description

The IQ Hedge Multi-Strategy Index attempts to replicate the risk-adjusted return characteristics of the collective hedge funds using multiple hedge fund investment styles, including long/short equity, global macro, market neutral, event-driven, fixed income arbitrage, and emerging markets.

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

Features and benefits

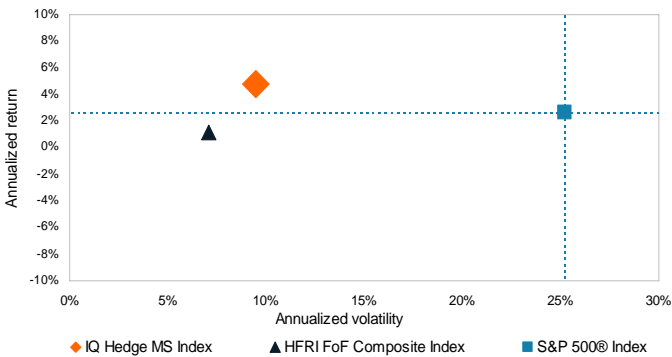
- Seeks performance similar to overall hedge fund universe
- Seeks low correlation to equity markets
- Real-time Index pricing
- Index portfolio transparency
- Rules-based approach

Index data

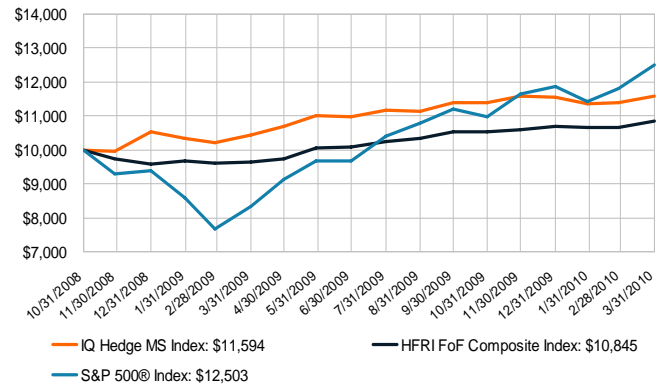
Index Symbol - Price	IQHGMS
Index Symbol - Total Return	IQHGMST

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	Return	Return/ Volatility ¹	Return	Return/ Volatility ¹	Return/ Volatility ¹	Return	Return/ Volatility ¹	Return/ Volatility ¹
IQ Hedge MS Index	0.40%	0.40%	10.99%	4.92%	2.23	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
HFRI FoF Composite Index	1.45%	1.45%	12.66%	3.47%	3.65	-1.69%	7.74%	-0.22	2.91%	6.72%	0.43

† annualized

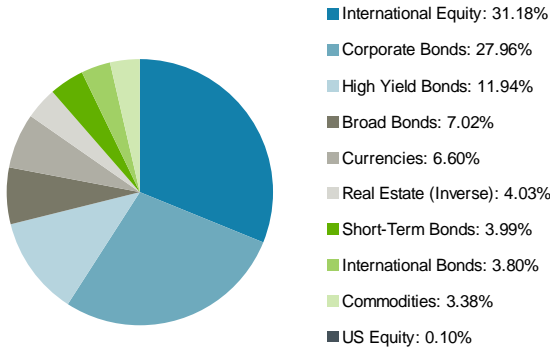
Index inception date: September 15, 2008. Indexes are not managed investment products and cannot be invested in directly. The illustrations and performance-related data do not represent the performance of any particular investment. Performance data for the Index assumes reinvestment of dividends and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



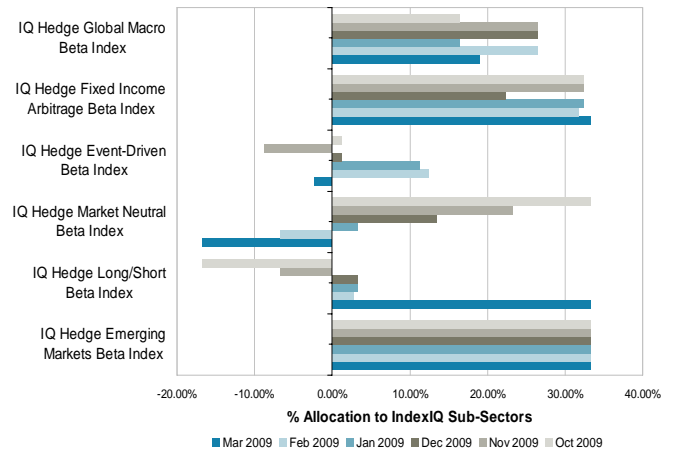
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Asset allocation² (3/31/2010)



Monthly allocations – 6 month through 3/31/2010



Top 10 index holdings² (3/31/2010)

Ticker	Name	Weight
LQD	iBoxx \$ Investment Grade Corporate Bond Fund	26.82%
EFA	iShares MSCI EAFE Index Fund	13.71%
EEM	iShares MSCI Emerging Markets Index Fund	9.79%
HYG	iShares iBoxx \$ High Yield Corporate Bond Fund	6.63%
DBV	PowerShares DB G10 Currency Harvest Fund	6.60%
VWO	Vanguard Emerging Markets ETF	5.96%
JNK	SPDR Barclays Capital High Yield Bond ETF	5.31%
AGG	iShares Barclays Aggregate Bond Fund	4.31%
SRS	ProShares UltraShort Real Estate	4.03%
DBC	PowerShares DB Commodity Index Tracking Fund	3.38%

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

	IQ Hedge MS Index	S&P 500® Index	HFRI FoF Composite Index
Maximum Drawdown	-3.02%	-23.24%	-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	7/31/09	5/29/09

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). 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.

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.

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.

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