



IQ[®] Hedge Macro Tracker ETF

Fact Sheet 6/30/2010

Fund description

The IQ Hedge Macro Tracker ETF seeks to track, before fees and expenses, the performance of the IQ Hedge Macro Index.

The 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 Fund does not invest in hedge funds and the Index does not include hedge funds as components. The Fund is not suitable for all investors.

Features and benefits

- Directional strategy seeking performance similar to overall macro and emerging markets hedge fund universe
- Emerging markets focus
- Low fees ±
- Intra-day liquidity
- Portfolio transparency – holdings available daily
- No manager-specific risk – Fund tracks rules-based index¹

Risk considerations

- Investment in underlying ETFs which themselves have risks
- Tracking error to the Index
- Price may differ from NAV
- Other risks similar to stocks

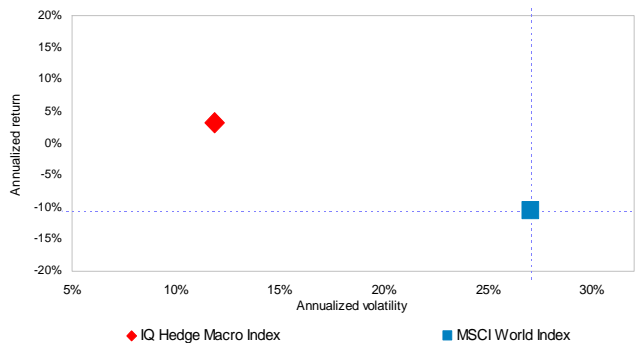
See risk discussion on reverse side.

Fund data

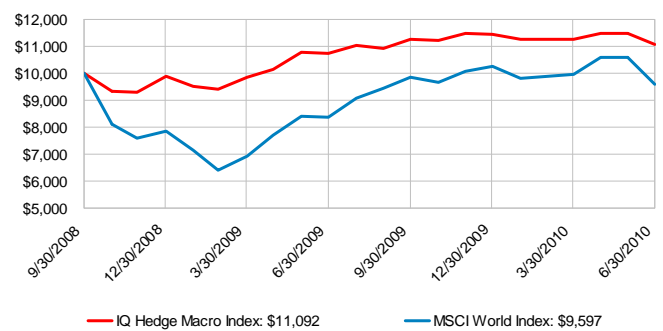
| | |
|---|------------------|
| Fund Ticker | MCRO |
| Intraday NAV (IIV) | MCRO.IV |
| Expense Ratio² | 0.75% |
| Acquired Fund Fees & Expenses² | 0.35% |
| Total Annual Fund Operating Expenses² | 1.10% |
| Exchange | NYSE Arca |
| Underlying Index Symbol | IQHGMAT |

Performance history

Index risk/return profile (9/30/2008 – 06/30/2010)



Index growth of \$10,000 (9/30/2008 – 6/30/2010)



| Fund / Index History | Quarter | | YTD | 1 Year | | | Since Fund Inception: 6/09/2009 | Since Index Inception: 9/15/2008 |
|---|---------|--------|--------|------------|-------------------|--------|---------------------------------|----------------------------------|
| | Return | Return | Return | Volatility | Return/Volatility | Return | Return | |
| IQ Hedge Macro Tracker ETF (NAV) | -2.15% | -2.30% | 4.65% | 6.80% | 0.68 | 4.50% | n/a | |
| IQ Hedge Macro Tracker ETF (MP) | -2.14% | -1.44% | 5.47% | 7.14% | 0.77 | 4.76% | n/a | |
| IQ Hedge Macro Index | -2.51% | -2.40% | 4.27% | 6.82% | 0.63 | 4.51% | 5.56% | |
| MSCI World Index | -12.49% | -9.56% | 10.77% | 17.39% | 0.62 | 8.30% | -6.46% | |

IndexIQ shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00 pm net asset value (NAV). The price used to calculate market return ("MP") is determined by using the closing price listed on the NYSE Arca and does not represent returns an investor would receive if shares were traded at other times.

± Brokerage commissions apply. Lower fees than typical hedge funds; higher fees than typical ETFs.

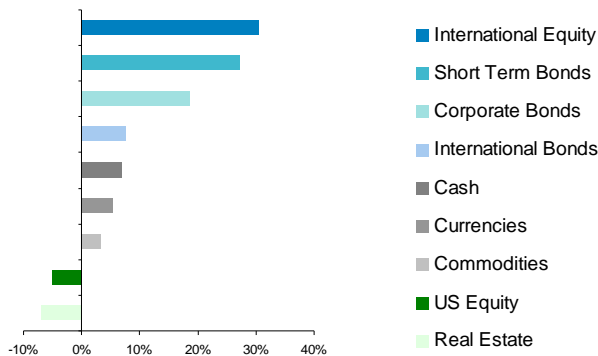
The performance data quoted above represents past performance. Past performance is not a guarantee of future results. Investment return and value of the Fund shares will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Fund returns reflect dividends and capital gains distributions. Fund performance current to the most recent month-end is available by calling 1-888-934-0777 or by visiting www.indexiq.com. Index performance is for illustrative purposes only and does not represent actual Fund performance. One cannot invest directly in an index. Performance data for the Index assumes reinvestment of dividends and is net of the management fees for the Index's components, as applicable, but it does not reflect management fees, transaction costs or other expenses that you would pay if you invested in the Fund directly. No representation is being made that any investment will achieve performance similar to that shown.



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Fund asset allocation³ (6/30/2010)



Top 10 fund holdings³ (6/30/2010)

Long Exposure

| Ticker | Name | Weight |
|--------|---|--------|
| LQD | ISHARES IBOXX INV GR CORP BD | 17.80% |
| EEM | ISHARES MSCI EMERGING MKT IN | 17.74% |
| VWO | VANGUARD EMERGING MARKETS ETF | 12.86% |
| SHY | ISHARES BARCLAYS 1-3 YEAR TR | 12.61% |
| BSV | VANGUARD SHORT-TERM BOND ETF | 7.19% |
| SHV | ISHARES BARCLAYS SHORT TREASURY BOND FUND | 5.95% |
| DBV | POWERSHARES DB G10 CURRENCY | 5.43% |
| EMB | ISHARES JPMORGAN USD EMERGING | 3.68% |
| DBC | POWERSHARES DB COMMODITY IND | 3.26% |

Short Exposure

| Ticker | Name | Weight |
|--------|------------------------------------|--------|
| N/A | ISHARES DOW JONES REAL ESTATE SWAP | -6.97% |

Max drawdown (9/30/2008 – 6/30/2010)

| | IQ Hedge Macro Index | MSCI World Index |
|------------------|----------------------|------------------|
| Maximum Drawdown | -7.19% | -35.76% |
| Drawdown Start | Sep-08 | Sep-08 |
| Drawdown End | Nov-08 | Feb-09 |
| Recovery Date | Apr-09 | Nov-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.

Consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus and the statement of additional information include this and other relevant information about the Fund and are available by visiting www.indexiq.com or calling 1-888-934-0777. Read the prospectus carefully before investing.

Risk Discussion: The Fund's investment performance, because it is a fund of funds, depends on the investment performance of the underlying ETFs in which it invests. There is no guarantee that the Fund itself, or any of the ETFs in the Fund's portfolio, will perform exactly as its underlying index. The Fund is non-diversified and is susceptible to greater losses if a single portfolio investment declines than would a diversified mutual fund. The Fund's underlying ETFs invest in: foreign securities, which subject them to risk of loss not typically associated with domestic markets, such as currency fluctuations and political uncertainty; commodities markets, which subject them to greater volatility than investments in traditional securities, such as stocks and bonds; and fixed income securities, which subject them to credit risk – the possibility that the issuer of a security will be unable to make interest payments and/or repay the principal on its debt – and interest rate risk – changes in the value of a fixed-income security resulting from changes in interest rates. Leverage, including borrowing, will cause some of the Fund's underlying ETFs to be more volatile than if the underlying ETFs had not been leveraged. Investing in foreign markets subjects the Fund to risks not typically associated with domestic markets. Loss may result because of less foreign government regulation, less public information and less economic, political and social stability. Loss may also result from the imposition of exchange controls, confiscations and other government restrictions. Foreign risks will normally be greater when the Fund invests in emerging markets. The ETF is new and has limited operating history.

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

¹The Fund employs a "passive management" – or indexing – investment approach designed to track the performance of the Index. The Fund invests primarily in the Index components that comprise the Index.

²As stated in the Fund's prospectus, the expense ratio of 0.75% is expressed as a unitary fee to cover expenses incurred in connection with managing the portfolio. In addition to this expense ratio, the Fund will indirectly bear its proportionate share of the fees and expenses of the underlying ETFs in which it invests. As of August 26, 2009 the Fund estimated that these fees, known as "Acquired Fund Fees and Expenses," would be 0.35% annualized for the fiscal year ending April 30, 2010. However, this amount will vary over time due to changes in the underlying ETF fees and expenses and the constitution of the Index.

³Demonstrates the Funds' allocations to the various asset classes represented by the Fund's underlying ETFs and other securities. The asset allocation information and holdings are subject to change without notice.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in-kind.

IndexIQ has no obligation to take the needs of the Funds or its owners into consideration in determining, composing or calculating the Index. 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 Fund is distributed by ALPS Distributors, Inc., which is not affiliated with IndexIQ or the Fund's investment advisor.

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