



FOR IMMEDIATE RELEASE

**INDEXIQ LAUNCHES THE FIRST EXCHANGE-TRADED FUND
FOCUSED ON SMALL-CAP HONG KONG EQUITIES (HKK)**

*IQ Hong Kong Small Cap ETF (Ticker: HKK) is the first ETF dedicated
to the dynamic small-cap segment of the Hong Kong economy*

RYE BROOK, New York, (May 18, 2011) – IndexIQ, a leading developer of index-based liquid alternative investment solutions, is set to launch the **IQ Hong Kong Small Cap ETF (Ticker: HKK)** on the NYSE Arca platform this morning, it was announced today.

HKK is the first Exchange-Traded Fund (ETF) dedicated to providing access to Hong Kong’s dynamic small-cap sector, an important component to the economic success of this “Asian Tiger.” Hong Kong has grown rapidly for many decades, supported by its position as a strategic gateway to mainland China, and by a strongly embedded free market culture. It recently was ranked #2 in the World Bank’s “Ease of Doing Business Index”¹ and has had a top ranking by the Index of Economic Freedom for the last 15 consecutive years.² Hong Kong currently ranks as the world 11th-largest trading entity.³ In 2009, it was the largest center of initial public offerings (IPOs) in the world, with the IPOs listed on the country’s stock exchange accounting for 22 percent of worldwide IPO capital raised that year.⁴

HKK seeks to replicate, before fees and expenses, the performance of the IQ Hong Kong Small Cap Index (IQSMHKK). The market capitalization-weighted index is intended to give investors a means of tracking the overall performance of the small capitalization sector of publicly traded companies domiciled and primarily listed on the Hong Kong Stock Exchange, the seventh largest stock exchange in the world.⁵

“Hong Kong’s pro-business climate has made it one of the world’s true business hubs, the gateway to China, and a source for innovation in both finance and technology,” said Adam Patti, CEO of IndexIQ. “However, until now, most investors have had no transparent, low-cost vehicle to gain exposure to the small-cap companies that are driving a significant portion of its growth. With HKK, investors can add focused exposure to Hong Kong’s strong consumer class and overall domestic economy by investing in small cap equities.”

HKK joins IndexIQ’s suite of single-country small-cap ETFs, which include:

- **IQ South Korea Small Cap ETF (NYSE Arca: SKOR)**, the first South Korea small cap ETF;
- **IQ Taiwan Small Cap ETF (NYSE Arca: TWON)**, the first Taiwan small cap ETF;

- **IQ Australia Small Cap ETF (NYSE Arca: KROO)**, the first Australia small cap ETF; and
- **IQ Canada Small Cap ETF (NYSE Arca: CNDA)**, the first Canada small cap ETF.

IndexIQ is also the sponsor of a number of index-based liquid alternative investment products designed to “democratize” the alternative investment landscape, including:

- **IQ Global Resources ETF (NYSE Arca: GRES)**, the first Global Natural Resources ETF;
- **IQ Global Agribusiness Small Cap ETF (NYSE Arca: CROP)**, the first global agribusiness small cap ETF; and
- **IQ Global Oil Small Cap ETF (NYSE Arca: IOIL)**, the first global oil small cap ETF.
- **IQ Hedge Macro Tracker ETF (NYSE Arca: MCRO)**, the first Global Macro ETF;
- **IQ Hedge Multi-Strategy Tracker ETF (NYSE Arca: QAI)**, the first US-listed Hedge Fund Replication ETF;
- **IQ Alpha Hedge Strategy Fund (IQHIX – Institutional Share Class; IQHOX – Investor Share Class)**, the first open-end, no-load Hedge Fund Replication mutual fund;
- **IQ Merger Arbitrage ETF (NYSE Arca: MNA)**, the first Merger Arbitrage ETF; and
- **IQ Real Return ETF (NYSE Arca: CPI)**, the first multi-asset class “Real Return” ETF, which seeks to generate a real return above the rate of inflation as measured by changes in the Consumer Price Index;

IndexIQ products are designed to be liquid, transparent, low cost, and accessible to a broad range of investors.*

About IndexIQ

Based in Rye Brook, New York, IndexIQ is a leading developer of index-based liquid alternative investment solutions that combine the benefits of traditional index investing with the risk-adjusted return potential sought by the best active managers. The company’s philosophy is to democratize investment management by making innovative alternative investment strategies available to investors in low cost, liquid and transparent products. IndexIQ strategies are marketed through the company’s proprietary investment products and select partnerships with leading global financial institutions. Additional information about the company and its products can be found at www.IndexIQ.com.

*Ordinary brokerage commissions apply. IndexIQ’s ETF holdings are available daily on IndexIQ’s website. ETFs are liquid in that they are exchange-traded.

Investors are reminded that all investing involves risk, including possible loss of principal. Consider the Funds’ investment objectives, risks, charges and expenses carefully before investing. A prospectus with this and other information about the Funds may be obtained by visiting www.indexiq.com or by calling (888) 934-0777. Read the prospectus carefully before investing.

As HKK’s investments are concentrated in Hong Kong, the value of its shares will be affected by factors specific to Hong Kong and may fluctuate more widely than that of a fund which invests in a broad range of countries and in developed markets. Investments in Hong Kong can be impacted by several factors, including a natural disaster in Hong Kong, a reduction in trading activity with its key trading partners, changes in the health of the financial

services industry, political risk, and economic risk in Asia, Europe and the U.S. The Fund is susceptible to foreign securities risk. Since the Fund invests in foreign markets, it will be subject to risk of loss not typically associated with domestic markets. The Fund is concentrated in small capitalization companies, whose stock prices generally are more volatile than those of larger companies and also are more vulnerable than those of large capitalization companies to adverse business and economic developments. Both the Fund's ability to track its Index and Fund returns in general may be adversely impacted by changes in currency exchange rates. The ETF is new and has limited operating history. The fund is not suitable for all investors. Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk and the Fund does not represent a complete investment program.

1. The World Bank.
2. The Heritage Foundation.
3. Hong Kong Government, www.info.gov.hk
4. Bloomberg, "Hong Kong IPOs May Raise Record \$48 Billion in 2010," December 21, 2009.
5. World Federation of Exchanges.

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