



For Immediate Release

**INDEXIQ LAUNCHES FIRST U.S. LISTED
HEDGE FUND REPLICATION EXCHANGE-TRADED FUND**

*IQ[®] Hedge Multi-Strategy Tracker ETF provides liquid, fully transparent hedge fund alternative.**

NEW YORK, (March 25, 2009) – The first-ever U.S.-listed hedge fund replication Exchange-Traded Fund (ETF) has been introduced by alternative investment ETF pioneer IndexIQ, it was announced today.

The IQ[®] Hedge Multi-Strategy Tracker ETF (NYSE Arca: QAI) seeks to replicate, before fees and expenses, the returns of the IQ[®] Hedge Multi-Strategy Index. The Index uses multiple hedge fund investment styles, including long/short equity, global macro, market neutral, event-driven, fixed income arbitrage, and emerging markets.

The ETF-based approach to hedge fund replication offers a number of advantages to investors, including intra-day liquidity, portfolio transparency, and real-time pricing. The IQ[®] Hedge Multi-Strategy Tracker ETF uses a wide variety of liquid ETFs currently in the market to build the underlying portfolio and does not invest in hedge funds.

“The IQ[®] Hedge Multi-Strategy Tracker ETF brings together two of the most significant developments in the investment business over the last several years – the growing importance of alternative investments and the convenience, liquidity and transparency of ETFs,” said Adam Patti, chief executive officer at IndexIQ.

“Our hedge fund replication strategies have continued to represent a strong investment alternative in this period constituting one of the worst market environments in history. From the start, our goal has been to help democratize access to the alternative investment asset class by making these products broadly available to all investors with full liquidity and transparency. Today’s rollout is another giant step along that road,” Patti added.

IndexIQ utilizes its unique Rules-Based Alpha™ philosophy to design and build innovative investment products, combining the benefits of traditional indexing with the risk-adjusted return potential sought by the best active managers. The IQ[®] Hedge Multi-Strategy Tracker ETF is the first in a planned series of alternative investment ETFs that are to be based on

*The ETF’s transparency includes daily disclosure of ETF components on IndexIQ’s website.

proprietary indexes developed by IndexIQ. Unlike traditional market indexes, which track the performance of publicly-traded issuers representing a market or industry sector, the IndexIQ indexes provide exposure to alternative investment asset classes, including the IQ Hedge family of indexes, which track the returns of distinct hedge fund investing styles.

The constituents of the IQ[®] Hedge Multi-Strategy Tracker ETF are existing ETFs currently available in the marketplace, essentially making the ETF a “fund of funds.” The ETF and underlying index are rules-based and the portfolio weights of the underlying components are rebalanced monthly.

“A large body of academic research shows that one need not necessarily invest directly in a hedge fund to capture much of the potential benefits of the various hedge fund strategies,” said Professor Robert F. Whitelaw, chief investment strategist of IndexIQ, and Chairman of the Finance Department at NYU’s Stern School of Business.

“Hedge funds remain an excellent source of diversification. Gaining access to that diversification without having to meet traditional hedge fund thresholds, such as long lock-ups on investor capital and lack of portfolio transparency, or pay the exorbitant hedge fund fees, is an important advance for investors, whether large institutions or retail investors,” continued Whitelaw.

The Fund's investment performance depends on the investment performance of the underlying ETFs in which it invests. There is no guarantee that the Fund itself, or each of the ETFs in the Fund’s portfolio, will perform exactly as their underlying indexes. The Fund is non-diversified and may be susceptible to greater losses if a single portfolio investment declines than would a diversified mutual fund. The Fund is not suitable for all investors.

About IndexIQ

Based in Rye Brook, New York, IndexIQ is a leading developer of index-based 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 all investors in low cost, liquid, transparent and tax-efficient 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.

Investors should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. A prospectus, containing this and other information is available by calling (888) 934-0777. Investors should read the prospectus carefully before investing.

There are risks associated with investing including the possible loss of principal. Past performance does not guarantee future results. Diversification does not eliminate the risk of experiencing investment loss.

IndexIQ ETFs are distributed by ALPS Distributors, Inc. (“ALPS”). Adam Patti is a registered representative of ALPS.

###

IDX000145.04302010