



FOR IMMEDIATE RELEASE

FIRST EXCHANGE-TRADED FUND TO REPLICATE GLOBAL MACRO & EMERGING MARKETS HEDGE FUND STRATEGIES INTRODUCED BY INDEXIQ

Based on interest from investors, and strong fundamentals, IndexIQ has introduced the first ETF designed to capture the risk and return characteristics of two of the most dynamic hedge fund strategies - global macro and emerging markets.

NEW YORK, (June 9, 2009) – The first Exchange-Traded Fund (ETF) designed to replicate the risk and return characteristics of global macro and emerging markets hedge funds was introduced today by IndexIQ (www.indexiq.com).

The IQ Hedge Macro Tracker ETF (NYSE Arca: MCRO) seeks to replicate, before fees and expenses, the returns of the IQ Hedge Macro Index, combining both Global Macro and Emerging Markets strategies. Global Macro hedge fund strategies generally span the globe in search of investment opportunities, employing a top-down approach to identifying market inefficiencies and dislocations, and typically invest in a range of instruments and asset classes including stocks, bonds, commodities, and currencies.

Emerging Markets strategies generally attempt to identify investment opportunities in the more rapidly growing emerging market countries, including the BRIC nations of Brazil, Russia, India and China. By combining the two strategies in a single ETF, IndexIQ seeks to provide broad asset class exposure with an emphasis of emerging markets, while reducing the overall volatility of the portfolio.¹ While emerging markets equities have performed well in 2009, they have historically exhibited higher volatility.

“MCRO offers access to two strategies that historically have performed well after significant market dislocations,” said Anthony B. Davidow, EVP & Head of Distribution at IndexIQ. “Investors have been seeking an efficient way of accessing the two strategies. Following the launch of QAI, we received a lot of interest in offering the individual hedge fund strategies underlying QAI on a stand-alone basis.”

IndexIQ utilizes a proprietary rules-based methodology to construct the IQ Hedge Macro Index, with the relative weightings of the Macro and Emerging Markets components increasing or decreasing over time based on the rules that govern the index. While the index is built using data on hedge fund strategy returns, the IQ Hedge Macro Strategy Tracker ETF does not invest directly in hedge funds. Rather, it uses factor and quantitative analysis to replicate the returns and common risk factors of hedge fund investing strategies, using existing Exchange-Traded Funds as the building blocks of the portfolio.

“The goal with the IQ Hedge Macro Tracker ETF is to provide investors with exposure to the high-growth segments of global markets and asset classes, emphasizing the importance of emerging markets, while managing overall portfolio volatility,” said Adam S. Patti, chief executive officer at IndexIQ. “The fund is designed to play a role in the portfolio of investors interested in both alternative asset classes and traditional emerging markets.”

IndexIQ is the sponsor of the IQ Hedge Multi-Strategy Tracker ETF (NYSE Arca: QAI), the first-ever U.S.-listed hedge fund replication Exchange-Traded Fund (ETF), and the IQ ALPHA Hedge Strategy Fund (IQHIX and IQHOX), the first no-load, open-end mutual fund to bring hedge fund style investing to a broad range of investors, from sophisticated family offices to retail investors. IndexIQ products are designed to be liquid, transparent,* tax-efficient, and low cost as compared to traditional hedge fund investments.

*IndexIQ’s ETF holdings are available daily on IndexIQ’s website.

¹ Source: Factset, Bloomberg and IndexIQ; volatility is based on research showing emerging markets equities (MSCI Emerging Markets Index) exhibiting higher volatility than emerging markets hedge fund strategies (CS/Tremont Blue Chip Emerging Markets Index), which exhibit higher volatility than global macro hedge fund strategies (CS/Tremont Blue Chip Global Macro Index).

Investment Strategy and Operating History

*The IQ Hedge Macro Strategy Tracker ETF (Macro ETF), the IQ Hedge Multi-Strategy Tracker ETF (MS ETF and together with the Macro ETF, the IQ ETFs), and the IQ ALPHA Hedge Strategy Fund (IQ Fund and together with the IQ ETFs, the IQ Funds) are not hedge funds and do not invest in hedge funds. The IQ Fund is a registered open-end mutual fund that invests in exchange-traded funds (ETFs) and similar securities in an attempt to replicate the performance characteristics of certain hedge fund investing styles, but with less cost, more liquidity, and greater portfolio transparency than traditional hedge funds. The Funds are new, with limited historical performance data. There can be no assurance that the Funds’ investment strategies will be successful. **The Funds are not suitable for some investors.***

Risks of the IQ Fund

Investors are reminded that all investing involves risk, including possible loss of principal. *The IQ Fund should be considered a high-risk investment due to its use of leverage, short-selling and derivatives, all of which may amplify the volatility of the Fund's share price. Accordingly,*

the IQ Fund should not be considered a complete investment program, nor suitable for all investors. Investors should read the Funds' prospectuses carefully for a more complete description of the Funds' risks.

Charges and Expenses of the IQ Fund

While it is a no-load fund, other fees and charges do apply to an investment in the IQ Fund. An investor in the IQ Fund will bear the operating expenses of the underlying ETFs and related securities in which the Fund invests. The IQ Fund's total annual operating expenses are estimated to be 1.64% for Investor Class and 1.39% for Institutional Class.¹ The IQ Fund will also assess a 2.00% redemption fee on shares redeemed within 7 days of purchase.

¹These figures are after fee waivers and expense reimbursements by the IQ Fund's investment adviser and include the operating expenses of underlying ETFs and similar securities. The investment adviser has contractually agreed to waive fees or reimburse expenses so that the IQ Fund's total annual operating expenses do not exceed 1.15%, not including distribution fees, underlying ETF expenses, and certain other expenses. The expense limitation ends on April 30, 2010, at which time the limitation may be renewed, terminated or revised. Without the expense limitation, the IQ Fund's total annual operating expenses are estimated to be 1.95% for Investor Class and 1.70% for Institutional Class.

Risks of the IQ ETFs

The IQ ETFs' investment performance, because they are a fund of funds, depends on the investment performance of the underlying ETFs in which it invests. There is no guarantee that the IQ ETFs themselves, or each of the ETFs in the Funds' portfolios, will perform exactly as their underlying indexes. The IQ ETFs are non-diversified and susceptible to greater losses if a single portfolio investment declines than would a diversified mutual fund. The IQ ETFs' 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 IQ ETFs' 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.

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 institutional class 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.

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.

The IQ Fund is distributed by PFPC Distributors, Inc. (PFPC). The IQ ETFs are distributed by ALPS Distributors, Inc. (ALPS), which is not affiliated with PFPC or IndexIQ or the IQ ALPHA Hedge Strategy Fund's investment advisor. Adam Patti is a registered representative of ALPS.

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