



FOR IMMEDIATE RELEASE

**INDEXIQ LAUNCHES THE FIRST EXCHANGE-TRADED FUND
FOCUSED ON EMERGING MARKET MID CAP STOCKS (EMER)**

IQ Emerging Markets Mid Cap ETF (NYSE Arca: EMER) allows ETF investors to isolate pure-play Emerging Market mid-cap exposure for the first time ever

RYE BROOK, New York, (July 13, 2011) – IndexIQ, a leader in developing index-based commodity, international, and liquid alternative investment solutions, is launching the **IQ Emerging Markets Mid Cap ETF (Ticker: EMER)** on the NYSE Arca platform this morning, it was announced today.

EMER is the first Exchange-Traded Fund (ETF) dedicated to providing access to mid-cap Emerging Market equities and will do so via a “pure play” approach, meaning that all of the equities included in the fund’s underlying index will be listed on an exchange in a less developed market in the Americas, Europe, Asia, Africa and the Middle East.

The fund will be diversified across both Emerging Market countries and industry sectors. As of May 31, 2011, the fund’s underlying index contained exposures to Consumer Discretionary (18.69 percent), Financials (18.10 percent), Industrials (15.88 percent), Materials (13.28 percent), Technology (9.15 percent) and more.

EMER seeks to replicate, before fees and expenses, the performance of the IQ Emerging Markets Mid Cap Index (IQMDEMG), a float-adjusted market cap-weighted index that is intended to track the overall performance of the mid capitalization sector of publicly traded companies domiciled and primarily listed on an exchange in the Emerging Markets. EMER is intended to provide pure-play exposure to this sector either as a standalone vehicle or used in combination with large- and small-cap Emerging Market offerings to create a broad-based portfolio.

“Just as it is important for investors to diversify across capitalization spectrum in their domestic portfolios, the same holds true for investors allocating to emerging markets,” said Adam Patti, CEO of IndexIQ. “Prior to EMER, only the large- and small-cap sectors of the Emerging Markets landscape were available to ETF investors. That changes today as we bring out this first-of-its-kind product to allow investors to access the growth potential of the Emerging Market mid-cap sector in a highly-liquid, highly-transparent way.”

EMER has an expense ratio of 0.75 percent and joins IndexIQ’s family of International ETFs,

which also includes:

- **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;
- **IQ Canada Small Cap ETF (NYSE Arca: CNDA)**, the first Canada small cap ETF;
- **IQ Hong Kong Small Cap ETF (NYSE Arca: HKK)**, the first Hong Kong small cap ETF;
- and
- **IQ Japan Mid Cap ETF (NYSE Arca: RSUN)**, the first Japan mid cap ETF.

IndexIQ also has a robust family of “Real Asset” ETFs focused on commodities, global resources and real estate, 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;
- **IQ Global Oil Small Cap ETF (NYSE Arca: IOIL)**, the first global oil small cap ETF; and
- **IQ US Real Estate Small Cap ETF (NYSE Arca: ROOF)**, the first small-cap REIT ETF.

The firm is also the sponsor of a family of Absolute Return products, which includes a number of index-based liquid alternative investment products designed to “democratize” the alternative investment landscape, including

- **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 the Fund's investments are concentrated in emerging markets, the value of its shares will be subject to a greater risk of loss than investments in developed markets. Since the Fund invests in foreign markets, it will be subject to risk of loss not typically associated with domestic markets. The Fund invests in the securities of mid capitalization companies, the value of which generally is more volatile than those of larger companies. 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 does not represent a complete investment program.

The Funds are distributed by ALPS Distributors, Inc. (ALPS), which is not affiliated with IndexIQ. Adam Patti is a registered representative of ALPS.

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