



For Immediate Release

FIRST NO-LOAD, OPEN-END HEDGE FUND REPLICATION MUTUAL FUND MARKS ONE-YEAR ANNIVERSARY

The IQ ALPHA Hedge Strategy Fund Posts Strong Results During Turbulent Period

NEW YORK, (July 13, 2009) – The IQ ALPHA Hedge Strategy Fund (IQHIX), the first no-load, open-end mutual fund designed to replicate broad-based hedge fund performance characteristics, marked its one-year anniversary on June 30th, the fund’s sponsor, IndexIQ, announced today.

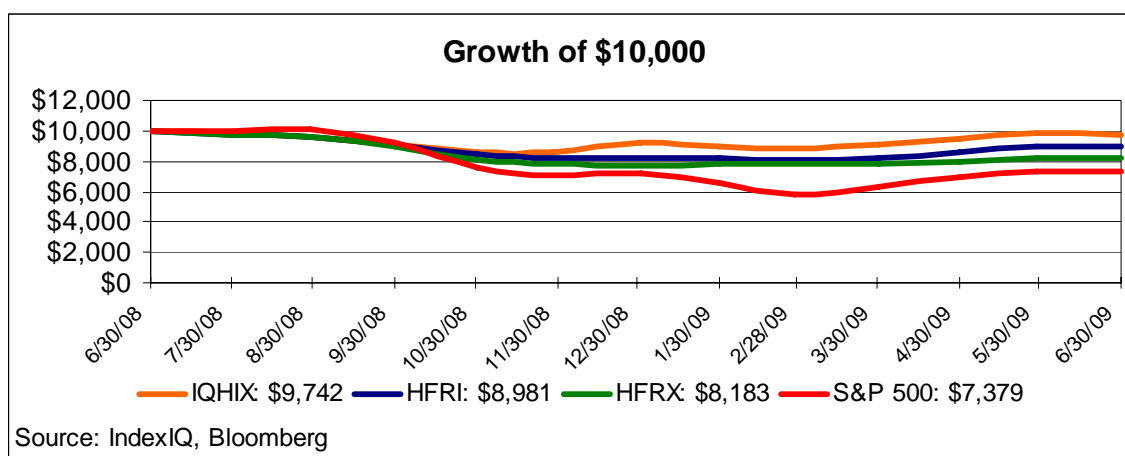
The IndexIQ fund uses a proprietary rules-based methodology to replicate the returns of six major hedge fund strategies: Equity Long/Short; Global Macro; Emerging Markets; Fixed Income Arbitrage; Equity Market Neutral; and Event Driven. Alpha is sought by optimizing the relative index weights among these six hedge fund strategies. The Fund seeks to achieve investment results that correspond to the total return of the IQ ALPHA Hedge Index. The objective of the Index is to provide superior returns with lower volatility relative to the Standard & Poor’s 500, and with a correlation similar to that between hedge funds generally and the S&P. For the trailing 12-month period, the fund was down -2.58 percent, compared to a loss of -26.21 percent for the S&P 500.

“The performance over the past year can be attributed to a number of factors, including the ability of the fund to hold both long and short positions, and the liquidity of the ETFs used to represent asset class exposures,” said Adam Patti, IndexIQ’s Chief Executive Officer. “As a result, we were able to continuously execute our strategy during the period, something not all hedge funds could do.”

The IndexIQ mutual fund is available on the Schwab, Fidelity, Pershing and E-Trade Platforms. IndexIQ pioneered the first hedge fund replication Exchange-Traded Fund (ETF) earlier in 2009 (NYSE Arca: QAI). The firm has also launched the industry’s first-ever Global Macro and Emerging Markets Hedge Strategy ETF (NYSE Arca: MCRO). The ETFs are generally available across most Wirehouses and Registered Investment Advisors. The Funds do not invest in hedge funds.

IQ ALPHA Hedge Strategy Fund Performance Summary:

- The Fund declined -2.58%, versus a decline of -26.21% for the S&P 500, from June 30, 2008 (inception) through June 30, 2009.
- Year-to-date through June 30, 2009, the Fund increased 5.81% versus an increase of 3.16% for the S&P 500.
- **Low Volatility:** The Fund had annualized standard deviation of less than 14% compared to over 28% for the S&P 500 from June 30, 2008 through June 30, 2009.
- **Performance vs. the Benchmarks:**



The above chart represents a hypothetical investment in the IQ ALPHA Hedge Strategy Fund (IQHIX) as of the inception date of the fund.

	Month	Quarter	YTD	1 Year	Since Fund Inception (6/30/2008)
Strategy	Return	Return	Return	Return	Return
IQ ALPHA Hedge Strategy Fund (Institutional)	-0.62%	6.39%	5.81%	-2.58%	-2.58%
IQ ALPHA Hedge Index	-0.44%	7.98%	7.98%	-0.15%	-0.15%
HFRI Fund Weighted Index	0.13%	9.07%	9.40%	-10.19%	-10.19%
HFRX Global Hedge Fund Index	0.00%	4.81%	5.53%	-18.17%	-18.17%
S&P 500® Index	0.20%	15.93%	3.16%	-26.21%	-26.21%

Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month-end is available at www.indexiq.com or by calling (888) 934-0777. The gross operating expense ratio of the Fund is 1.70% for the Institutional Class and 1.95% for the Investor Class.

The Fund will assess a 2.00% redemption fee on shares redeemed within 7 days of purchase.

The IndexIQ ALPHA Hedge Strategy Fund is sponsored by IndexIQ and seeks to replicate as closely as possible, before fees and expenses, the return characteristics of the IQ ALPHA Hedge Index. The Fund uses ETFs and a variety of other highly liquid financial instruments to provide exposure to the components of the index in approximately the same weighting. It employs leverage totaling 25 percent of the portfolio to magnify returns.

Investors are reminded that mutual fund investing involves risk, including possible loss of principal. The Fund and its index are new, with limited historical performance data. There are no guarantees that the Fund will meet its objective. The 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. An investor in the Fund will bear the operating expenses of the underlying ETFs and related securities in which the Fund invests.

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 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.

* Brokerage commissions apply. Lower fees than typical hedge funds; higher fees than typical ETFs. Components are published daily on the company's website.

The S&P 500® Index is an unmanaged index considered representative of the U.S. stock market (performance data assumes reinvestment of dividends, but it does not reflect management fees, transaction costs or other expenses). One cannot invest directly in an index.

The HFRX Global Hedge Fund Index is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry (performance data is net of underlying manager fees but does not reflect the deduction of management fees, transaction costs or other expenses).

The HFRI Fund Weighted Composite Index is comprised solely of hedge funds and is comprised of eight strategies: convertible arbitrage; distressed securities; equity hedge; equity market neutral; event driven; macro; merger arbitrage; and relative value arbitrage. Returns presented are net of underlying management fees, but do not reflect the deduction of taxes and other expenses.

Alpha is a measure of a portfolio's actual excess returns and expected performance, given its level of risk. Standard deviation is a measure of the dispersion of a set of data from its mean; the more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance.

Consider the Fund's investment objectives, risks, charges and expenses carefully before investing. A prospectus with this and other information about the Fund may be obtained by visiting www.indexiq.com or by calling (888) 934-0777. Read the prospectus carefully before investing.

IndexIQ 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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