



**FOR IMMEDIATE RELEASE**

**FIRST SOUTH KOREA SMALL CAP ETF INTRODUCED BY INDEXIQ**

*IQ South Korea Small Cap ETF (SKOR) Provides Exposure to the Vibrant South Korean Economy;  
Latest in Series of IndexIQ Small Cap Country ETFs*

RYE BROOK, New York, (April 14, 2010) – IndexIQ, a leading developer of index-based alternative investment solutions, is introducing the **IQ South Korea Small Cap ETF (NYSE Arca: SKOR)** focusing on the domestic market of South Korea, it was announced today.

SKOR seeks to replicate, before fees and expenses, the performance of the IQ South Korea Small Cap Index. 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 an exchange in South Korea.

SKOR is designed to provide additional Alpha exposure as a satellite holding built around an investor's core equity portfolio.

“Investors targeting South Korea typically have been required to invest in funds with broad-based exposure to large cap and global companies domiciled or operating in this market,” said Adam Patti, chief executive officer at IndexIQ. “However, the South Korean economy has its own important dynamics, which are perhaps best captured through small capitalization companies. The growth of South Korea's economy has been driven by a robust domestic consumer-class, coupled with an export-driven trade platform, a high-growth technology sector, and the unique status as one of the world's most innovative countries.”

**SOUTH KOREA:** Building upon its status as one of the fastest growing economies from the early 1960s to the late 1990s, South Korea continues to rank strongly among the world's major economies. The growth in South Korea's economy has been sparked in part by the country's dedication to innovation and development, with South Korea being crowned the most innovative country in the world.<sup>1</sup> South Korea is the first Asian country to host the G-20 Summit, which is to be held in the capital city of Seoul in November 2010, while the nation serves as the current chair of the G-20 major economies.

The largest of the Four Asian Tigers, South Korea seeks to be a leader in several industries in which the nation competes. South Korea has ranked among the world's largest shipbuilders, auto manufacturers, and oil product exporters, while also sporting among the world's largest auto assembly plants, shipyards, and oil refineries. Moreover, it is the smaller companies in South Korea that many believe are best positioned for the greatest growth in 2010 and beyond.

To be included in the index underlying SKOR, companies must have a minimum average market capitalization of \$150 million for the prior 90-day period; the average maximum capitalization must be equal to the bottom 15 percent ranking of companies in South Korea based on the prior 90 days. Stocks are required to have a minimum average daily trading volume of at least \$1 million for the prior 90 days, and a minimum monthly volume of 250,000 shares for the prior six months. The Index's components and their respective weights are rebalanced quarterly.

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

- the first US-listed hedge fund replication Exchange-Traded Fund, the **IQ Hedge Multi-Strategy Tracker ETF (NYSE Arca: QAI)**;
- the first Macro and Emerging Markets hedge fund replication ETF, the **IQ Hedge Macro Tracker ETF (NYSE Arca: MCRO)**;
- the first U.S.-listed “real return” ETF which seeks to give investors a hedge against the U.S. inflation rate by providing a return above the rate of inflation as measured by changes in the Consumer Price Index, the **IQ CPI Inflation Hedged ETF (NYSE Arca: CPI)**;
- the first global resources hedged ETF, which seeks to solve the problems associated with the significant overweight in the energy sector inherent in other broad-based commodity products, the **IQ ARB Global Resources ETF (NYSE Arca: GRES)**;
- the first merger arbitrage ETF, the **IQ ARB Merger Arbitrage ETF (NYSE Arca: MNA)**;
- **IQ Canada Small Cap ETF (NYSE Arca: CNDA)**, the first Canada small cap ETF, and **IQ Australia Small Cap ETF (NYSE Arca: KROO)**, the first Australia small cap ETF.
- and the first open-end, no-load hedge fund replication mutual fund, the **IQ ALPHA Hedge Strategy Fund (IQHIX – Institutional Share Class, and IQHOX – Investor Share Class)**.

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

*The ETFs should be considered a speculative investment entailing a high degree of risk and are not suitable for all investors. An investment in the ETFs does not represent a complete investment program.*

*Past performance is not a guarantee of future results.*

### **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 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](http://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.

1. Global Innovation Index of Boston Consulting Group, the National Association of Manufacturers, and The Manufacturing Institute; March 2009.

Alpha is a measure of a portfolio's actual excess returns and expected performance, given its level of risk.

Investors are reminded that all investing involves risk, including possible loss of principal. The funds are not suitable for all investors. Investors in the Funds should be willing to accept a high degree of volatility in the price of the Funds' shares and the possibility of significant losses. An investment in the Funds involves a substantial degree of risk and the Funds do not represent a complete investment program

As the Fund's investments are concentrated in South Korea, the value of its shares will be affected by factors specific to South Korea and may fluctuate more widely than that of a fund which invests in a broad range of countries and in developed markets. Investments in South Korea can be impacted by several factors, including a natural disaster in South Korea, a reduction in trading activity with its key trading partners, labor-related issues (South Korea's economic growth potential is susceptible to problems from large scale emigration, rigid labor regulations and ongoing labor relations issues, and the average age of South Korea's workforce is rapidly increasing), and security issues, as any outbreak of hostilities between North and South Korea could have a severe adverse effect on the South Korean economy and its securities markets. 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.

**IQ CPI Inflation Hedged ETF:** The Fund's investment performance, because it is a fund of funds, 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 its underlying index. The Fund is non-diversified and is susceptible to greater losses if a single portfolio investment declines than would a diversified mutual fund. The Fund's 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. Loss may 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. Leverage, including borrowing, will cause some of the Fund’s underlying ETFs to be more volatile than if the underlying ETFs had not been leveraged.

**IQ ARB Global Resources ETF:** As the Fund’s investments are concentrated in the global resources sector, the value of its shares will be affected by factors specific to that sector and may fluctuate more widely than that of a fund which invests in a broad range of industries. The Fund also may be 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. Loss may result because of less foreign government regulation, less public information, less economic, political and social stability, or other factors. The Fund is exposed to mid and small capitalization companies risk. Stock prices of mid and small capitalization companies may be more volatile than those of larger companies and also are more vulnerable than those of large capitalization companies to adverse business and economic developments. Since the Fund may invest directly in foreign currencies or securities that trade in, and receive revenues in, foreign currencies, the Fund is subject to the risk that those currencies will decline in value relative to the U.S. that the U.S. dollar will decline in value relative to the currency being hedged.

*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](http://www.indexiq.com) or by calling (888) 934-0777. Read the prospectus carefully before investing.*

*ETF Shares are not individually redeemable and owners of the ETF shares may acquire those ETF shares from the ETFs and tender those shares for redemption to the ETF in Creation Unit aggregations only, typically consisting of 50,000 Shares.*

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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