



FOR IMMEDIATE RELEASE

**INDEXIQ LAUNCHES THE FIRST EXCHANGE-TRADED FUND
FOCUSED ON SMALL-CAP U.S. REAL ESTATE (ROOF)**

*IQ US Real Estate Small Cap ETF (NYSE Arca: ROOF) is intended to serve as a unique new income producing solution and complement to large-cap US real estate exposure;
Holdings cover wide range of small-cap REITs*

RYE BROOK, New York, (June 14, 2011) – IndexIQ, a leader in developing index-based liquid alternative investments, including absolute return, real asset and international strategies, is set to launch the **IQ US Real Estate Small Cap ETF (Ticker: ROOF)** on the NYSE Arca platform this morning, it was announced today.

ROOF, a unique new ETF designed to be income producing, is the first Exchange-Traded Fund (ETF) dedicated to providing access to the small-cap US real estate sector and will include exposure to a wide variety of small-cap Real Estate Investment Trusts (REITs), including Mortgage REITs, Retail REITs, and Office REITs which made up 20.73 percent, 17.97 percent, and 17.68 percent, respectively, of the fund's underlying index as of May 31, 2011. Hotel, Diversified, Specialized (including medical, warehousing & self-storage) and Residential REITs will also be represented as well.

ROOF seeks to replicate, before fees and expenses, the performance of the IQ US Real Estate Small Cap Index (IQSMRES), a float-adjusted market cap-weighted index that is intended to track the overall performance of small capitalization US real estate companies. ROOF is intended to provide pure-play exposure to this sector either as a standalone vehicle or in combination with large-cap US real estate ETF offerings to create a broad-based portfolio.¹

“Performance among both small- and large-cap REITs took a big hit at the start of the financial crisis in 2007, but since 2009, REITs have seen a performance resurgence, with small-cap offerings far outpacing the performance of their large-cap counterparts,”² said Adam Patti, CEO of IndexIQ. “In today’s environment, investors are hungry for income producing assets. With ROOF, ETF investors now have the potential to capture a robust new income stream and significant capital appreciation by isolating small cap US real estate exposure; and they can do this in a transparent, liquid, tax efficient way.”^{*} Patti added, “Investors can use ROOF as a complement to one of the large-cap REIT ETFs in the market given the lack of portfolio overlap, or as a standalone allocation in lieu of large-cap exposure given the diversification benefits of small-caps, the higher yield, and the potential for greater capital appreciation in the future, which is typical when comparing small caps to large caps in most sectors. Additionally, as

REITs often look to acquisitions for growth, these small cap REITs are well positioned to become acquisition targets for the large REITs.”

ROOF has an expense ratio of 0.69 percent. ROOF joins IndexIQ’s Real Assets family of funds that includes:

- **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; and
- **IQ Global Oil Small Cap ETF (NYSE Arca: IOIL)**, the first global oil small cap ETF.

IndexIQ also has a robust family of International ETFs, including:

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

The firm is also the sponsor of a number of liquid, index-based absolute return 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.

¹ Pure-play exposure includes companies whose primary line of business is real estate related.

² As measured by the Bloomberg REIT Small Cap Index and the Bloomberg REIT Large Cap Index.

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 ROOF's investments are concentrated in the real estate sector, it is exposed to concentration risk, interest rate risk, leverage risk, property risk and management risk. The Fund is concentrated in small capitalization companies, whose stock prices generally are more volatile than those of larger companies. The ETF is new and has limited operating history.

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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