



FOR IMMEDIATE RELEASE

**INDEXIQ'S IQ CANADA SMALL CAP ETF (CNDA)
TOPS \$100 MILLION IN ASSETS**

*Fund is the first and only ETF dedicated to providing
exposure to the small cap segment of the Canadian economy*

RYE BROOK, New York, (February 23, 2011) – IndexIQ, a leading developer of index-based, liquid alternative investment solutions, today announced that its IQ Canada Small Cap ETF (NYSE Arca: CNDA) has surpassed the \$100 million mark in assets under management (AUM).

CNDA, which launched in March 2010, was the first, and is still the only, Exchange-Traded Fund (ETF) dedicated to providing exposure to the dynamic small-cap segment of the Canadian economy, a segment that recently has experienced significant growth, spurred in large part by Canada's vast natural resources. Canada has the second largest proven reserves of crude oil in the world, is the fourth largest exporter of crude, and also is the world's second largest exporter of natural gas.¹

“Canada is very rich in natural resources and has a strong consumer base, but since it is not included in the MSCI EAFE, many investors are left dramatically underexposed to the country,” said Adam Patti, Chief Executive Officer of IndexIQ. “With CNDA, investors have a means to gain that exposure, and can do so in a way that is not overly concentrated in large multi-national corporations whose performance tends to mirror the broad international markets. CNDA provides a sector allocation tied more closely to the actual local economy (i.e. energy and materials, rather than financials), as compared to the large cap Canada counterparts.”

CNDA is part of IndexIQ's family of single-country small-cap ETFs, including:

- **IQ Australia Small Cap ETF (NYSE Arca: KROO)**, the first Australia small cap ETF;
- **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.

Like Canada, Australia is a country with significant natural resources, while South Korea and Taiwan have burgeoning reputations for technological innovation. All three countries also rank among China's largest and fastest-growing trading partners, all of which serves to further position IndexIQ's family of small-cap country ETFs as a means for investors to add exposure to natural resources, each

country's respective consumer class, and to the strong growth of China through funds that are potentially less correlated to their large-cap brethren and broad international indices.

“We are very pleased to be marking this milestone for CNDA,” continued Patti, “and to be meeting such an important need for advisors and investors with our family of single-country small-cap ETFs as they search for diversification and exposure to potential growth opportunities on the international landscape.”

CNDA joins other IndexIQ funds that have surpassed the \$100 million asset mark, including **IQ Hedge Multi-Strategy Tracker ETF (NYSE Arca: QAI)**, the first US-listed Hedge Fund Replication ETF, and **IQ Alpha Hedge Strategy Fund (IQHIX – Institutional Share Class; IQHOX – Investor Share Class)**, the first open-end, no-load Hedge Fund Replication mutual fund. In addition to the products referenced above, IndexIQ is also the sponsor of a number of other index-based, liquid alternative investment products designed to “democratize” the alternative investment landscape, including:

- **IQ Global Resources ETF (NYSE Arca: GRES)**, the first hedged Global Natural Resources ETF;
- **IQ Merger Arbitrage ETF (NYSE Arca: MNA)**, the first Merger Arbitrage ETF;
- **IQ Hedge Macro Tracker ETF (NYSE Arca: MCRO)**, the first Global Macro/Emerging Markets Hedge Fund Replication ETF;
- **IQ Real Return ETF (NYSE Arca: CPI)**, the first US-listed “Real Return” ETF, which seeks to generate a real return above the rate of inflation as measured by changes in the Consumer Price Index.

About IndexIQ

Based in Rye Brook, New York, IndexIQ is the 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 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.

*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) Data sourced from The World Factbook, CIA, 2009.

There are risks involved with investing including the possible loss of principal. The IQ Hedge Multi-Strategy Tracker ETF and IQ Alpha Hedge Strategy Fund do not invest in hedge funds and the underlying index of the ETF does not include hedge funds as components. The Funds are not suitable for all

investors. Funds, such as KROO, SKOR and TWON, that invest in foreign markets will be subject to risk of loss not typically associated with domestic markets.

As investments of CNDA are concentrated in Canada, the value of its shares will be affected by factors specific to Canada and may fluctuate more widely than that of a fund which invests in a broad range of countries. Any negative changes in the agricultural or mining industries could have an adverse impact on the Canadian economy. Since the Fund invests in foreign markets, it will be subject to risk of loss not typically associated with domestic markets. CNDA 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.

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 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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