



**For Immediate Release**

**INDEXIQ LAUNCHES MARKET'S FIRST SUITE OF HEDGE FUND REPLICATION SEPARATELY MANAGED ACCOUNT PORTFOLIOS FOR HIGH NET WORTH INVESTORS**

*Two portfolios seek to provide exposure to, or hedge against, broad hedge fund industry performance; third portfolio focuses on commodities*

NEW YORK, (December 2, 2008) – IndexIQ, a leading developer of index-based alternative investment solutions, has introduced three new index-based separately managed account (SMA) products, it was announced today.

**The IQ Alternative Beta Portfolio** uses multiple hedge fund investing styles including long/short equity, global macro, market neutral, event-driven, fixed income arbitrage, and emerging markets to replicate as closely as possible the returns of the hedge fund universe as measured by such broad-based indexes as the CS/Tremont Blue Chip Index and the HFRX Global Hedge Fund Index. It seeks to deliver returns with low correlation to the equity markets.

**The IQ Inverse Alternative Beta Portfolio** seeks to replicate the *inverse* risk-adjusted returns characteristics of that same collective hedge fund universe. By moving inversely to this basket of strategies, it provides the opportunity to hedge against the performance of the funds that comprise the CS/Tremont Blue Chip Index and the HFRX Global Hedge Fund Index. It, too, seeks low correlation with the broader equity markets.

**The IQ Commodity Rotation Portfolio** seeks to achieve long-term capital appreciation by rotating exposure to various commodities. Exposures are determined using a rules-based price momentum methodology that rotates through seven commodity exchange-traded funds (ETFs). The portfolio is always 100 percent invested, and seeks low correlation with the Standard & Poor's 500.

### **A rules-based approach**

Each of the IndexIQ portfolios is constructed using a proprietary rules-based methodology developed by IndexIQ; each uses publicly traded ETFs, with no hedge funds included as components. The benefits of this approach include significantly lower costs compared to traditional hedge funds, greater transparency, and the avoidance of manager- and style-specific risk.

“IndexIQ is focused on developing sophisticated products to address the needs of our clients,” said Adam S. Patti, Chief Executive Officer at IndexIQ. “We are agnostic regarding the packaging of our strategies. While we plan to offer our innovative strategies as Mutual Funds, ETFs and Managed Accounts, the Managed Accounts allow for the greatest flexibility and customization for clients.”

IndexIQ is a leading developer of alternative investment products that combine the benefits of traditional index investing with the risk-adjusted performance potential sought by the best active managers. A pioneer in hedge fund replication and other innovative alternative investment strategies, IndexIQ launched a full suite of investable index-based solutions in early 2007.

### **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 institutional class 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.

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