



FOR IMMEDIATE RELEASE

**INDEXIQ EXPANDS ETF MODEL PORTFOLIO OFFERINGS WITH LAUNCH OF
SECOND-GENERATION ALTERNATIVE INVESTMENT ETF PORTFOLIO**

IndexIQ's Model ETF Portfolios Designed for RIAs, Wealth Managers, Family Offices and other Intermediary Advisors

IQ Global Alternatives ETF Model Portfolio Represents Unique Alternative Solution

RYE BROOK, New York, (November 1, 2011) – IndexIQ, a leading issuer of index-based liquid alternative solutions focused on absolute return, real assets and international strategies, has expanded its longtime suite of innovative ETF model portfolios with the launch of the IQ Global Alternatives ETF Model Portfolio, the firm announced today.

Since the successful launch of IndexIQ's IQ Hedge Multi-Strategy Portfolio in March 2009, the firm's ETF portfolios have been adopted across a broad segment of the financial advisor community, including registered investment advisors (RIAs), wirehouses, and other intermediary financial advisors. Some examples include Morgan Stanley Smith Barney, which offers the IQ Hedge Multi-Strategy Portfolio as a separately managed account portfolio, and Fortigent LLC, which selected the Multi-Strategy Portfolio as an Alternative Investment solution for the firm's customizable UMA program. IndexIQ's ETF models are being utilized by many financial advisors who understand the importance of portfolio diversification through alternative investments. IndexIQ provides these models on a subscription basis along with additional research. The firm builds its model ETF portfolios by leveraging IndexIQ's extensive internal expertise as a pioneer in liquid alternative investments.

The **IQ Global Alternatives ETF Portfolio** builds upon the success of IndexIQ's first-generation model ETF portfolios and is a comprehensive investment strategy designed to achieve portfolio diversification, growth of capital and low volatility through the use of liquid, transparent, low cost alternative investments. The Model includes exposures to multiple hedge fund investing styles, including long/short equity, global macro, market neutral, event-driven, fixed income arbitrage, and emerging markets hedge. The strategy targets volatility of 6-8% through exposures to a broad range of asset classes, including domestic, international and emerging market equities, bonds, commodities, currencies and real estate, as well as exposure to volatility. Historically, the model provides a low correlation to equity markets, with a beta to equities of approximately zero.

A Liquid, Transparent, Low Cost Approach

The IQ Global Alternatives ETF Portfolio is constructed using a proprietary, rules-based methodology developed by IndexIQ and invests in liquid exchange-traded products. The benefits of this approach include transparency, liquidity, significantly lower costs compared to traditional alternative investment options, and the avoidance of manager and style-specific risk. The model is available to subscribers who receive monthly guidance on tactical asset allocation across 10 underlying exchange-traded products.

“The IQ Global Alternatives ETF Portfolio offers a comprehensive solution for investors seeking diversification across multiple asset classes and efficient pricing through the use of ETFs,” said Adam Patti, IndexIQ’s CEO. “The Portfolio is the latest iteration in our suite Alternative ETF models and is our most comprehensive solution to date. We have been incubating this strategy for quite some time and, given market conditions, we believe the time is right to make it more broadly available. At a time of significant market volatility and uncertainty, the IQ Global Alternatives ETF Portfolio provides liquid and transparent access to a strategy designed to dampen volatility while maintaining upside potential. The Portfolio is one of several ETF model portfolios that we provide to advisors who understand the power and importance of alternative investments. Our IQ Global Alternatives ETF Portfolio is designed for advisors who would prefer a highly diverse solution, rather than having to wade through the numerous untested solutions being launched into the market.”

IndexIQ’s family of Absolute Return products, which includes a number of index-based liquid alternative investment products designed to “democratize” the alternative investment landscape, includes:

- **IQ Hedge Multi-Strategy Tracker ETF (NYSE Arca: QAI)**, the first US-listed Hedge Fund Replication ETF;
- **IQ Hedge Macro Tracker ETF (NYSE Arca: MCRO)**, the first Global Macro ETF;
- **IQ Merger Arbitrage ETF (NYSE Arca: MNA)**, the first Merger Arbitrage ETF;
- **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; and
- **IQ Alpha Hedge Strategy Fund (IQHIX & IQHOX)**, the first no-load hedge fund replication mutual fund.

The firm’s Real Asset ETFs include:

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

IndexIQ’s International ETFs include:

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

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

About IndexIQ

IndexIQ is a leading issuer of index-based liquid alternative solutions focused on absolute return, real asset and international strategies. IndexIQ solutions are offered as ETFs, Mutual Funds & Separate Accounts. IndexIQ'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.

Diversification does not assure a profit and does not protect against losses. Correlation is a statistical measure of how two securities move in relation to each other. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

IndexIQ ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Total returns are calculated using the daily 4:00 pm net asset value (NAV). Market price returns reflect the share price as of the close of trading on the exchange where fund shares are listed. Market price returns do not represent the returns you would receive if you traded shares at other times.

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.

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