



FOR IMMEDIATE RELEASE

**INDEXIQ MARKES THREE-YEAR ANNIVERSARY OF ITS
IQ HEDGE FAMILY OF HEDGE FUND REPLICATION INDEXES**

*Extraordinary market volatility provides real world “stress test” for firm’s
IQ Hedge™ indexes; only hedge fund replication index family in existence over that period*

RYE BROOK, New York, (April 6, 2010) – IndexIQ, a leading developer of index-based alternative investment solutions, today marked the three-year anniversary for its proprietary family of hedge fund replication and alternative beta indexes.

Designed to replicate the performance characteristics of sophisticated hedge fund strategies, including Global Macro, Emerging Markets, Long/Short Equity, Market Neutral, Event Driven, and Fixed Income Arbitrage, the IQ Hedge™ indexes were originally introduced on March 30, 2007. These indexes have been calculating live with Standard & Poors since inception and the index values are published daily on Bloomberg (see table below for index identifiers). The hedge fund strategies covered are among the most prevalent in the market, comprising approximately 80% of overall hedge fund assets globally (Source: Credit Suisse/Tremont). While other hedge fund replication/alternative beta indexes have since been launched, IQ Hedge was the first and only family of hedge fund replication/alternative beta indexes in existence over the entire three years, a period defined by extreme market volatility.

For the three-year period ending March 31, 2010, the returns for the indexes were as follows:

Index Name	Index Symbol	Annualized Returns
IQ Hedge Composite Beta Index*	IQHGCOB	1.07%
IQ Hedge Long/Short Beta Index	IQHGLSB	-4.41%
IQ Hedge Market Neutral Beta Index	IQHGMNB	3.10%
IQ Hedge Fixed Income Arbitrage Beta Index	IQHGFIB	2.71%
IQ Hedge Global Macro Beta Index	IQHGGMB	0,71%
IQ Hedge Event-Driven Beta Index	IQHGEDB	3.39%
IQ Hedge Emerging Markets Beta Index	IQHGEMB	12.72%

Past performance does not guarantee future results.

“The extraordinary volatility of the financial markets over the past three years has provided a terrific stress test for our indexes,” said Adam Patti, chief executive officer at IndexIQ. “Their performance over that period supports our contention that the characteristics of various sophisticated strategies can be mapped and replicated using a passive, index-based approach. This, in turn, has opened the door for the creation of investable index-based products, such as our family of Exchange-Traded Funds (ETFs) and our mutual fund, which allow investors to add these strategies to their portfolios, benefiting from the diversification benefits of hedge funds, without their structural impediments. The investment products based on the IQ Hedge family of indexes offer the risk and return characteristics of sophisticated hedge fund investments, but at lower cost and with significantly more liquidity and transparency as compared to traditional hedge funds.”

Since its founding in 2006, IndexIQ has been a pioneer in the development and application of innovative index-based investment strategies. The IQ Hedge index family is based on a proprietary, transparent, rules-based process that uses ETFs as its primary portfolio components, offering significant liquidity and transparency at a time when these characteristics are among what we believe to be the most sought after investment features.

“The IQ Hedge Family of Investable Hedge Fund Replication/Alternative Beta Indexes is truly revolutionary. Their development was based on nearly 10 years of academic research, and the marketplace has recognized the importance of this new asset class,” said Professor Robert F. Whitelaw, Chairman of the Finance Department at NYU Stern School of Business, and Chief Investment Strategist for IndexIQ. “Having been the first to market and demonstrated a strong 3-year performance track-record is quite powerful.”

Designed to “democratize” the alternative investment landscape, IndexIQ Indexes underlie a variety of investment products globally including ETFs, mutual funds, and institutional accounts. Many of these are the first of their kind to be introduced to the market and include:

- the first U.S.-listed hedge fund replication ETF, the **IQ Hedge Multi-Strategy Tracker ETF (NYSE Arca: QAI)**;
- the first market directional 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 Consumer Price Index is published by the Bureau of Labor Statistics and is a measure of the average change in prices over time of goods and services purchased by households;
- 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)**; 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.** CPI, MNA and GRES 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.

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* IQ Hedge Composite Beta Index inception date is October 2007. For all other Indexes, inception date is March 30, 2007 as noted above.

** IndexIQ’s ETF holdings are available daily on IndexIQ’s website. Brokerage commissions apply to ETFs. ETFs are liquid in that they are exchange-traded.

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.

Index performance does not reflect charges and expenses associated with the Funds or brokerage commissions associated with buying and selling ETF shares.

Investors are reminded that all investing involves risk, including possible loss of principal. The IQ ALPHA Hedge Strategy Fund (IQ Fund), the IQ Hedge Multi-Strategy Tracker ETF (IQ Multi-Strategy ETF), and the IQ Macro Tracker ETF (IQ Macro ETF) are not hedge funds and do not invest in hedge funds. The IQ ALPHA Hedge Strategy Fund is a registered open-end mutual fund that invests in exchange-traded funds (ETFs) and similar securities in an attempt to replicate the performance characteristics of certain hedge fund investing styles, but with less cost, more liquidity, and greater portfolio transparency than traditional hedge funds. The Funds are new, with limited historical performance data. There can be no assurance that the Funds' investment strategies will be successful.

The investment performance of the IQ Multi-Strategy ETF, the IQ Macro ETF and the IQ CPI Inflation Hedged ETF (collectively, the IQ ETFs), because they are funds of funds, depends on the investment performance of the underlying ETFs in which they invest. There is no guarantee that the IQ ETFs themselves, or each of the underlying ETFs in the Funds' portfolios, will perform exactly as its underlying index. The IQ ETFs are non-diversified and susceptible to greater losses if a single portfolio investment declines than would a diversified mutual fund. The IQ ETFs' 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.

Leverage, including borrowing, will cause some of the IQ ETF's underlying ETFs to be more volatile than if the underlying ETFs had not been leveraged.

The investments of the IQ ARB Global Resources ETF (GRES) 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. GRES also may be susceptible to foreign securities risk. Since GRES 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. GRES is exposed to mid and small capitalization companies risk. Stock prices of mid and small capitalization companies 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. Since GRES may invest directly in foreign currencies or in securities that trade in, and receive revenues in, foreign currencies, GRES 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. GRES has a limited operating history.

Certain of the proposed takeover transactions in which the IQ ARB Merger Arbitrage ETF ("Merger Arb ETF"), invests may be renegotiated, terminated or involve a longer time frame than originally contemplated, which may negatively impact the Merger Arb ETF's returns. The Merger Arb ETF's investment strategy may result in high portfolio turnover, which, in turn, may result in increased transaction costs to the Merger Arb ETF and lower total returns. The Merger Arb ETF 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, including currency transaction risk. Diversification does not eliminate the risk of experiencing investment losses. Stock prices of mid and small capitalization companies generally are more volatile than those of larger companies.

ETFs should be considered speculative investments entailing a high degree of risk, are not suitable for all investors and do not represent a complete investment program. Consider the Funds' investment objectives, risks, charges and expenses

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.

IndexIQ ETFs and mutual 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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