



For Immediate Release

INDEXIQ INTRODUCES SYNTHETIC HEDGE FUND SUITE; STRATEGIES SEEK TO REPLICATE HIGH PERFORMANCE INVESTMENT PRODUCTS AT LOW COST

HedgeIQ™ products use firm's proprietary research to replicate the performance characteristics of sophisticated hedge fund strategies in offerings designed for retail and high net worth markets

NEW YORK, (March 20, 2007) – IndexIQ Inc. (www.indexiq.com), a dedicated developer of innovative quantitative investment strategies, has introduced a new family of products that seeks to replicate the performance characteristics of high-performance hedge fund strategies without the high fees typical of the hedge fund industry, it was announced today.

The HedgeIQ™ suite of products has been developed based on the firm's proprietary research and development processes to create portfolios of liquid assets tied to equities, bonds, real estate, currencies and commodities that mirror the characteristics and statistically track the returns of specific hedge fund strategies. Known as "synthetic" hedge funds, this initial family of HedgeIQ™ products is designed to be used as the basis for investable products for the retail investor, including the high net worth segment.

"For years, the highest quality managers and best performing investment strategies have been nearly exclusive to the institutional and ultra high net worth markets. This is especially prevalent in the world of hedge funds, which by definition have been unavailable to the overwhelming majority of investors," said Adam S. Patti, Chief Executive Officer of IndexIQ.

"Our HedgeIQ™ suite of products democratizes the investment management industry by replicating the characteristics of sophisticated hedge fund strategies in a low-cost, risk managed, easy-to-understand manner. Products built around HedgeIQ™ provide the average investor with access to the strategies employed by the best-performing hedge fund managers, and are important tools in portfolio construction that had until today effectively been off-limits," said Patti.

HedgeIQ™ products replicate a variety of sophisticated hedge fund strategies including:

- **Absolute Returns** – Absolute return strategies seek to achieve positive returns in both up and down markets, with low volatility and low correlation with traditional benchmarks.
- **Long/Short Equity** – Long/short equity strategies take both long and short positions in equities in an effort to generate superior performance in both up and down markets by exploiting stock selection and market timing skills.
- **Emerging Markets** – Emerging markets strategies invest in equity and debt in emerging or developing countries, often unhedged, seeking to exploit inefficiencies in these markets to generate superior returns.

“A growing body of academic research shows that passively oriented products can be used to capture a great deal of the potential upside of various hedge fund strategies,” said Professor Robert F. Whitelaw, Senior Advisor and Chief Investment Strategist of IndexIQ, and Co-Chair of the Finance Department at NYU’s Stern School of Business. “Since they are not subject to the significant fees associated with traditional hedge funds, these new, robust, well-tested strategies should be of great interest to retail and high net worth investors.”

IndexIQ develops next-generation indexes for use by third parties in creating investable products. IndexIQ’s products are designed with distinct methodologies incorporating a full range of investment strategies. Existing and potential customers of the company’s index products include Exchange-Traded Fund (ETF) sponsors, mutual fund companies, asset management firms, institutional investors, plan sponsors, hedge funds, and developers of annuities and other investment products.

About IndexIQ

Based in Rye Brook, New York, IndexIQ is a leading developer of sophisticated, quantitative strategies designed to fuel the growth of the global investment management community. The firm utilizes its pioneering, proprietary methodologies to create innovative, high performance investment products for the institutional, high net worth and retail investor markets. Additional information about the company and its products can be found at www.indexiq.com.

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