

# IndexIQ ETF Trust



**IQ Hedge Multi-Strategy Tracker ETF (QAI)**  
**IQ Hedge Macro Tracker ETF (MCRO)**  
**IQ Real Return ETF (CPI)**  
**IQ Global Resources ETF (GRES)**  
**IQ Merger Arbitrage ETF (MNA)**  
**IQ Australia Small Cap ETF (KROO)**  
**IQ Canada Small Cap ETF (CNDA)**  
**IQ South Korea Small Cap ETF (SKOR)**  
**IQ Taiwan Small Cap ETF (TWON)**  
**IQ Global Agribusiness Small Cap ETF (CROP)**  
**IQ Global Oil Small Cap ETF (IOIL)**  
**IQ Hong Kong Small Cap ETF (HKK)**  
**IQ Japan Mid Cap ETF (RSUN)**  
**IQ US Real Estate Small Cap ETF (ROOF)**  
**IQ Emerging Markets Mid Cap ETF (EMER)**



The investment return and value of each of the Funds' shares will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Consider the Funds' investment objectives, risks, charges and expenses carefully before investing. The prospectus and the statement of additional information include this and other relevant information about the Funds and are available by visiting [www.indexiq.com](http://www.indexiq.com) or by calling 1-888-934-0777. Read the prospectus carefully before investing.

Each of the Funds' performance that is current to the most recent month-end is available by visiting [www.indexiq.com](http://www.indexiq.com) or by calling 1-888-934-0777.

The Funds file their complete schedules of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the Commission's web site at [www.sec.gov](http://www.sec.gov). The Funds' Forms N-Q also may be reviewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Each Funds' premium/discount information is available, free of charge, on the Funds' website, [www.indexiq.com](http://www.indexiq.com) or by calling 1-888-934-0777.

The Funds are distributed by ALPS Distributors, Inc., which is not affiliated with IndexIQ or the Funds' investment advisor.

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Dear Shareholder:

The six months ended October 31, 2011 marked a period of significant volatility across asset classes. Despite strong corporate earnings, macro economic issues dominated the investment landscape. A contentious debate in the U.S. over raising the debt ceiling led to a downgrade of U.S. long term debt. Ongoing concerns about the tepid economic recovery in the U.S. and abroad coupled with fears of potential sovereign debt defaults in the periphery of the Eurozone to create a very volatile investment environment.

The increased volatility across market segments further underscores the importance of a properly diversified portfolio and the value of alternative assets, which typically provide lower volatility and lower correlation to traditional asset classes such as stocks and bonds.\*

During the challenging market environment, many of IndexIQ's ETFs continued to gain significant traction. Our flagship multi-strategy hedge fund replication fund, the IQ Hedge Multi-Strategy Tracker ETF (ticker QAI), is being used increasingly as the core of investors' alternative asset exposure, in lieu of or in complement to traditional hedge fund of fund exposure. With the growing importance of commodity and natural resources exposure, investors have adopted the IQ Global Resources ETF (ticker GRES) as a core alternative asset holding. GRES provides investors with exposure to eight sectors, including the core commodity asset classes as well as timber, water and coal. The IQ Real Return ETF (ticker CPI) has also become a more important strategy for investors, as the specter of inflation persists. CPI is designed to provide a hedge to the rate of inflation, targeting a real return above the returns of the Consumer Price Index. Also, given today's low interest rate environment, and CPI's low volatility profile, it is being used as a vehicle to generate a return on long-term cash holdings. The IQ Hedge Macro Tracker ETF (ticker MCRO) seeks to provide investors a means of gaining exposure, in a hedged manner, to emerging markets and to capitalize on global macro trends.

IndexIQ's single country small cap ETFs, have continued to generate investor interest as unique ways to gain exposure to these markets. The IQ Australia Small Cap ETF (ticker KROO) and IQ Canada Small Cap ETF (ticker CNDA) complement their large cap country fund counterparts by providing extensive natural resources exposure within the Australian and Canadian markets. Meanwhile, the IQ South Korea Small Cap ETF (ticker SKOR) and IQ Taiwan Small Cap ETF (ticker TWON), along with KROO, provide investors with a convenient way to play the growth of the China market by investing in countries that are among China's largest and fastest growing trading partners.

IndexIQ has recently added additional ETFs to our platform to build on the success of these single country small cap ETFs. The IQ Emerging Markets Mid Cap ETF (ticker EMER) provides investors access to the fastest growing segment of these emerging economies without the overhang of the mega cap securities that typically derive much of their revenue from developed economies such as the United States and Europe. EMER provides more direct access to the consumers of these economies than their large cap fund counterparts. The IQ Japan Mid Cap ETF (ticker RSUN) provides similar exposure to the world's third largest economy. Mid Cap companies in Japan are forecasted to derive significant benefits from the rebuilding of Japanese industry following this year's natural disasters. IndexIQ has also launched the IQ Hong Kong Small Cap ETF (ticker HKK) to continue with our product roll out of small cap country ETFs. Hong Kong small caps provide investors with a developed market entry point into the Chinese economy, and avoid the significant weight into mega-cap financial firms that many of the competitive products focus on.

Lastly, IndexIQ has launched two additional first-of-their-kind ETFs that are designed to open up new investment frontiers. The IQ US Real Estate Small Cap ETF (ticker ROOF) offers investors an efficient way to access small cap REITs in the United States. Small Cap REITs typically are valued competitively to the related large cap REITs and often provide more attractive dividend rates. Additionally, IndexIQ launched the IQ Global Oil Small Cap ETF (ticker IOIL) to provide investors with access to "pure oil" companies, rather than a diversified basket of energy equities more typically available in the market. IndexIQ's research shows that small cap oil companies tend to perform more in line with the spot price of oil than both large cap equities and oil futures contracts; which makes IOIL a compelling option for investors seeking to access this asset class.

IndexIQ calls itself "*The alternative to alternatives*" because our funds seek to provide investors with more attractive and more accessible alternative asset solutions. Despite the benefits of alternative assets, for the most part these strategies had been limited to ultra-high net worth investors and institutions, and also suffered from a lack of liquidity, lack of transparency, high fees and tax inefficiency. IndexIQ seeks to bridge the gap between the attractive features of alternative asset strategies and their common structural limitations.

I want to personally thank you for your interest in IndexIQ and our investment solutions. I invite you to visit us at [www.indexiq.com](http://www.indexiq.com) or call us at (888) 934-0777 for more information on our company and products.

Adam S. Patti  
Chief Executive Officer, IndexIQ  
Registered Representative of ALPS Distributors, Inc.

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\* Diversification does not eliminate the risk of experiencing investment loss.

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period as indicated below.

### **Actual Expenses**

The first line of the table below provides information about actual account values and actual expenses. You may use the information together with the amount you invested, in a particular Fund, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid for Period 5/1/11 to 10/31/11" to estimate the expenses you paid on your account during this period. Each Fund will indirectly bear its pro rata share of the expenses incurred by the underlying ETF investments in which each Fund invests. These expenses are not included in the table.

### **Hypothetical Example for Comparison Purposes**

The second line of the table below also provides information about hypothetical account values and hypothetical expenses based on each Funds' actual expense ratio and an assumed annual rate of return of 5% before expenses, which are not the Funds' actual returns. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds. The Funds will indirectly bear their pro rata share of the expenses incurred by the underlying ETF investments in which the Funds invest. These expenses are not included in the table.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the hypothetical example is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Fund Expenses (unaudited) (continued)

	Beginning Account Value	Ending Account Value 10/31/11	Annualized Expense Ratios for the Period 5/1/11 to 10/31/11	Expenses Paid for Period 5/1/11 to 10/31/11*
<b>IQ Hedge Multi-Strategy Tracker ETF</b>				
Actual	\$1,000.00	\$ 992.46	0.75%	\$3.76
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.37	0.75%	\$3.81
<b>IQ Hedge Macro Tracker ETF</b>				
Actual	\$1,000.00	\$ 960.07	0.75%	\$3.70
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.37	0.75%	\$3.81
<b>IQ Real Return ETF</b>				
Actual	\$1,000.00	\$1,012.88	0.48%	\$2.43
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.72	0.48%	\$2.44
<b>IQ Global Resources ETF</b>				
Actual	\$1,000.00	\$ 902.31	0.75%	\$3.59
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.37	0.75%	\$3.81
<b>IQ Merger Arbitrage ETF</b>				
Actual	\$1,000.00	\$ 973.69	0.75%	\$3.72
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.37	0.75%	\$3.81
<b>IQ Australia Small Cap ETF</b>				
Actual	\$1,000.00	\$ 841.96	0.70%	\$3.24
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.62	0.70%	\$3.56
<b>IQ Canada Small Cap ETF</b>				
Actual	\$1,000.00	\$ 787.53	0.70%	\$3.15
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.62	0.70%	\$3.56
<b>IQ South Korea Small Cap ETF</b>				
Actual	\$1,000.00	\$ 916.85	0.79%	\$3.81
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.17	0.79%	\$4.01
<b>IQ Taiwan Small Cap ETF</b>				
Actual	\$1,000.00	\$ 793.21	0.80%	\$3.61
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.11	0.80%	\$4.06
<b>IQ Global Agribusiness Small Cap ETF</b>				
Actual	\$1,000.00	\$ 866.89	0.75%	\$3.52
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.37	0.75%	\$3.81
<b>IQ Global Oil Small Cap ETF<sup>1</sup></b>				
Actual	\$1,000.00	\$ 853.28	0.76%	\$3.46
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.32	0.76%	\$3.86
<b>IQ Hong Kong Small Cap ETF<sup>2</sup></b>				
Actual	\$1,000.00	\$ 747.12	0.70%	\$2.79
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.62	0.70%	\$3.56
<b>IQ Japan Mid Cap ETF<sup>3</sup></b>				
Actual	\$1,000.00	\$ 970.15	0.70%	\$2.86
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.62	0.70%	\$3.56
<b>IQ US Real Estate Small Cap ETF<sup>4</sup></b>				
Actual	\$1,000.00	\$ 905.91	0.69%	\$2.52
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.67	0.69%	\$3.51
<b>IQ Emerging Markets Mid Cap ETF<sup>5</sup></b>				
Actual	\$1,000.00	\$ 836.22	0.75%	\$2.09
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.37	0.75%	\$3.81

\* Expenses are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 184/366 (to reflect the period since commencement of operations).

1 IQ Global Oil Small Cap ETF commenced operations on May 4, 2011. Actual Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 180/366 (to reflect the actual days in the period). Hypothetical Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 184/366 (to reflect the six-month period).

2 IQ Hong Kong Small Cap ETF commenced operations on May 17, 2011. Actual Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 167/366 (to reflect the actual days in the period). Hypothetical Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 184/366 (to reflect the six-month period).

3 IQ Japan Mid Cap ETF commenced operations on June 1, 2011. Actual Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 152/366 (to reflect the actual days in the period). Hypothetical Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 184/366 (to reflect the six-month period).

4 IQ US Real Estate Small Cap ETF commenced operations on June 13, 2011. Actual Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 140/366 (to reflect the actual days in the period). Hypothetical Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 184/366 (to reflect the six-month period).

5 IQ Emerging Markets Mid Cap ETF commenced operations on July 12, 2011. Actual Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 111/366 (to reflect the actual days in the period). Hypothetical Expenses Paid for Period are calculated using the Fund's annualized expense ratio, multiplied by the average account value for the period, multiplied by 184/366 (to reflect the six-month period).

Portfolio Summaries

October 31, 2011 (unaudited)

**SCHEDULES OF INVESTMENTS SUMMARY TABLE**

**IQ Hedge Multi-Strategy Tracker ETF**

Net Assets (\$ mil): \$154.9

	<u>% of Net Assets</u>
<b>Investments</b>	
Corporate Bond Funds .....	22.0%
Equity Funds .....	18.0
Short-Term Treasury Bond Funds .....	13.1
Money Market Fund .....	9.6
Currency Harvest Funds .....	8.5
Aggregate Bond Funds .....	7.7
U.S. Small Cap Equity Funds .....	7.1
High Yield Corporate Bond Funds .....	4.7
Commodity Funds .....	4.2
Treasury Inflation-Protected Security .....	0.4
Total Investments .....	95.3
Other Assets in Excess of Liabilities .....	4.7
Net Assets .....	<u>100.0%</u>

**IQ Hedge Macro Tracker ETF**

Net Assets (\$ mil): \$31.2

	<u>% of Net Assets</u>
<b>Investments</b>	
Emerging Equity Funds .....	27.7%
Short-Term Treasury Bond Funds .....	26.2
Corporate Bond Funds .....	24.3
Commodity Funds .....	10.8
Currency Harvest Funds .....	5.2
Money Market Fund .....	4.1
International REITS .....	0.9
Total Investments .....	99.2
Other Assets in Excess of Liabilities .....	0.8
Net Assets .....	<u>100.0%</u>

**IQ Real Return ETF**

Net Assets (\$ mil): \$15.6

	<u>% of Net Assets</u>
<b>Investments</b>	
Short-Term Treasury Bond Funds .....	71.5%
U.S. Long-Term Treasury Bond Funds .....	9.5
U.S. Small Cap Equity Funds .....	8.8
Currency Harvest Funds .....	6.2
Commodity Funds .....	4.0
Money Market Fund .....	0.1
Total Investments .....	100.0
Liabilities in Excess of Other Assets .....	(0.1)
Net Assets .....	<u>100.0%</u>

**IQ Global Resources ETF**

Net Assets (\$ mil): \$70.5

	<u>% of Net Assets</u>
<b>Investments</b>	
Energy .....	21.2%
Coal .....	18.9
Industrial Metals .....	18.6
Grains Food Fiber .....	14.5
Livestock .....	9.9
Money Market Fund .....	4.9
Precious Metals .....	3.9
Water .....	3.8
Timber .....	2.2
Total Investments .....	97.9
Other Assets in Excess of Liabilities .....	2.1
Net Assets .....	<u>100.0%</u>

**IQ Merger Arbitrage ETF**

Net Assets (\$ mil): \$19.8

	<u>% of Net Assets</u>
<b>Investments</b>	
Information Technology .....	19.9%
Money Market Fund .....	15.5
Health Care .....	14.3
Industrials .....	13.4
Energy .....	7.6
Materials .....	6.7
Consumer Staples .....	6.4
Utilities .....	6.1
Financials .....	5.4
Consumer Discretionary .....	0.9
Telecommunication Services .....	0.5
Total Investments .....	96.7
Other Assets in Excess of Liabilities .....	3.3
Net Assets .....	<u>100.0%</u>

**IQ Australia Small Cap ETF**

Net Assets (\$ mil): \$20.8

	<u>% of Net Assets</u>
<b>Investments</b>	
Materials .....	26.9%
Industrials .....	24.8
Consumer Discretionary .....	18.2
Energy .....	9.1
Health Care .....	7.3
Financials .....	4.1
Consumer Staples .....	3.2
Information Technology .....	2.2
Utilities .....	1.2
Telecommunication Services .....	0.5
Money Market Fund .....	0.0*
Total Investments .....	97.5
Other Assets in Excess of Liabilities .....	2.5
Net Assets .....	<u>100.0%</u>

\* Less than 0.05%.

Portfolio Summaries (continued)

October 31, 2011 (unaudited)

**IQ Canada Small Cap ETF**

Net Assets (\$ mil): \$40.5

<u>Investments</u>	<u>% of Net Assets</u>
Materials .....	43.0%
Energy .....	31.5
Financials .....	8.2
Industrials .....	7.4
Information Technology .....	3.7
Consumer Staples .....	1.8
Consumer Discretionary .....	1.6
Utilities .....	1.3
Health Care .....	0.7
Telecommunication Services .....	0.6
Total Investments .....	99.8
Other Assets in Excess of Liabilities .....	0.2
Net Assets .....	<u>100.0%</u>

**IQ South Korea Small Cap ETF**

Net Assets (\$ mil): \$11.9

<u>Investments</u>	<u>% of Net Assets</u>
Information Technology .....	24.7%
Consumer Discretionary .....	24.3
Industrials .....	14.8
Financials .....	13.1
Materials .....	10.2
Health Care .....	8.0
Consumer Staples .....	2.4
Telecommunication Services .....	1.5
Money Market Fund .....	0.2
Utilities .....	0.2
Total Investments .....	99.4
Other Assets in Excess of Liabilities .....	0.6
Net Assets .....	<u>100.0%</u>

**IQ Taiwan Small Cap ETF**

Net Assets (\$ mil): \$3.6

<u>Investments</u>	<u>% of Net Assets</u>
Information Technology .....	42.4%
Materials .....	17.7
Consumer Discretionary .....	13.0
Industrials .....	11.8
Consumer Staples .....	6.1
Financials .....	4.4
Money Market Fund .....	1.0
Health Care .....	1.0
Total Investments .....	97.4
Other Assets in Excess of Liabilities .....	2.6
Net Assets .....	<u>100.0%</u>

**IQ Global Agribusiness Small Cap ETF**

Net Assets (\$ mil): \$40.4

<u>Investments</u>	<u>% of Net Assets</u>
Crop Production and Farming .....	38.4%
Agricultural Supplies and Logistics .....	15.9
Livestock Operations .....	14.7
Agricultural Machinery .....	13.5
Agricultural Chemicals .....	8.5
Biofuels .....	8.2
Money Market Fund .....	0.7
Total Investments .....	99.9
Other Assets in Excess of Liabilities .....	0.1
Net Assets .....	<u>100.0%</u>

**IQ Global Oil Small Cap ETF**

Net Assets (\$ mil): \$1.7

<u>Investments</u>	<u>% of Net Assets</u>
Refining & Marketing .....	42.6%
Exploration & Production .....	32.2
Equipment, Services & Drilling .....	24.8
Money Market Fund .....	0.1
Total Investments .....	99.7
Other Assets in Excess of Liabilities .....	0.3
Net Assets .....	<u>100.0%</u>

**IQ Hong Kong Small Cap ETF**

Net Assets (\$ mil): \$1.5

<u>Investments</u>	<u>% of Net Assets</u>
Consumer Discretionary .....	29.7%
Materials .....	14.5
Financials .....	12.9
Industrials .....	11.0
Information Technology .....	7.2
Utilities .....	6.6
Health Care .....	6.0
Consumer Staples .....	4.4
Telecommunication Services .....	3.3
Energy .....	2.2
Money Market Fund .....	2.1
Total Investments .....	99.9
Other Assets in Excess of Liabilities .....	0.1
Net Assets .....	<u>100.0%</u>

Portfolio Summaries (continued)

October 31, 2011 (unaudited)

**IQ Japan Mid Cap ETF**

Net Assets (\$ mil): \$2.0

<u>Investments</u>	<u>% of Net Assets</u>
Industrials .....	28.5%
Financials .....	18.5
Materials .....	16.2
Consumer Discretionary .....	14.8
Information Technology .....	9.2
Consumer Staples .....	5.3
Utilities .....	2.1
Health Care .....	1.9
Energy .....	1.9
Money Market Fund .....	1.0
Total Investments .....	99.4
Other Assets in Excess of Liabilities .....	0.6
Net Assets .....	<u>100.0%</u>

**IQ US Real Estate Small Cap ETF**

Net Assets (\$ mil): \$8.9

<u>Investments</u>	<u>% of Net Assets</u>
Mortgage REITs .....	25.4%
Office REITs .....	16.5
Retail REITs .....	14.7
Specialized REITs .....	14.1
Hotel REITs .....	12.7
Diversified REITs .....	10.5
Residential REITs .....	5.1
Money Market Fund .....	0.3
Total Investments .....	99.3
Other Assets in Excess of Liabilities .....	0.7
Net Assets .....	<u>100.0%</u>

**IQ Emerging Markets Mid Cap ETF**

Net Assets (\$ mil): \$2.5

<u>Investments</u>	<u>% of Net Assets</u>
Industrials .....	19.2%
Consumer Discretionary .....	17.2
Financials .....	15.8
Information Technology .....	12.6
Materials .....	12.2
Consumer Staples .....	6.6
Health Care .....	6.1
Utilities .....	3.4
Money Market Fund .....	3.0
Telecommunication Services .....	2.2
Energy .....	0.3
Total Investments .....	98.6
Other Assets in Excess of Liabilities .....	1.4
Net Assets .....	<u>100.0%</u>

# Schedules of Investments — IQ Hedge Multi-Strategy Tracker ETF

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Investment Companies — 85.7%</b>			<b>Investment Companies (continued)</b>		
<b>Aggregate Bond Funds — 7.7%</b>			<b>Short-Term Treasury Bond Funds — 13.1%</b>		
iShares Barclays Aggregate Bond Fund . . . .	57,024	\$ 6,274,351	iShares Barclays 1-3 Year Treasury		
SPDR Barclays Capital Aggregate			Bond Fund . . . . .	96,546	\$ 8,162,964
Bond ETF . . . . .	2,224	129,437	iShares Barclays Short Treasury Bond Fund . .	31,807	3,506,086
Vanguard Total Bond Market ETF . . . . .	66,834	5,588,659	SPDR Barclays Capital 1-3 Month T-Bill ETF* . .	48,876	2,239,987
Total Aggregate Bond Funds		<u>11,992,447</u>	Vanguard Short-Term Bond ETF . . . . .	78,790	6,419,809
<b>Commodity Funds — 4.2%</b>			Total Short-Term Treasury Bond Funds		<u>20,328,846</u>
iShares Silver Trust* . . . . .	49,699	1,661,934	<b>Treasury Inflation-Protected Security — 0.4%</b>		
PowerShares DB Gold Fund* . . . . .	80,053	4,811,986	iShares Barclays US Treasury Inflation		
Total Commodity Funds		<u>6,473,920</u>	Protected Securities Fund . . . . .	5,208	606,680
<b>Corporate Bond Funds — 22.0%</b>			<b>U.S. Small Cap Equity Fund — 7.1%</b>		
iShares Barclays Credit Bond Fund . . . . .	17,153	1,873,108	iShares Russell 2000 Index Fund . . . . .	149,110	11,029,667
iShares iBoxx \$ Investment Grade			<b>Total Investment Companies — 85.7%</b>		
Corporate Bond Fund . . . . .	280,117	32,129,420	<b>(Cost \$131,046,153)</b> . . . . .		<b><u>132,698,587</u></b>
Total Corporate Bond Funds		<u>34,002,528</u>	<b>Short-Term Investment — 9.6%</b>		
<b>Currency Harvest Fund — 8.5%</b>			<b>Money Market Fund — 9.6%</b>		
PowerShares DB G10 Currency			Invesco Treasury Portfolio Cash		
Harvest Fund* . . . . .	536,466	13,084,406	Management, 0.02% <sup>(a)</sup>		
<b>Equity Funds — 18.0%</b>			<b>(Cost \$14,922,139)</b> . . . . .	14,922,139	<b><u>14,922,139</u></b>
iShares MSCI EAFE Index Fund . . . . .	273,574	14,327,070	<b>Total Investments — 95.3%</b>		
SPDR S&P 500 ETF Trust . . . . .	87,570	10,985,656	<b>(Cost \$145,968,292)</b> . . . . .		<b><u>\$147,620,726</u></b>
Vanguard MSCI EAFE ETF . . . . .	77,755	2,571,358	<b>Other Assets in Excess of</b>		
Total Equity Funds		<u>27,884,084</u>	<b>Liabilities — 4.7%<sup>(b)</sup></b> . . . . .		<b><u>7,307,807</u></b>
<b>High Yield Corporate Bond Funds — 4.7%</b>			<b>Net Assets — 100.0%</b> . . . . .		<b><u>\$154,928,533</u></b>
iShares iBoxx \$ High Yield Corporate			* Non-income producing securities.		
Bond Fund . . . . .	44,823	4,001,797	(a) Rate shown represents annualized 7-day yield as of October 31,		
SPDR Barclays Capital High Yield			2011.		
Bond ETF . . . . .	84,532	3,294,212	(b) Other Assets in Excess of Liabilities includes net unrealized		
Total High Yield Corporate Bond Funds		<u>7,296,009</u>	depreciation on futures and swap transactions.		
			ETF — Exchange Traded Fund		

## Open futures contracts outstanding at October 31, 2011:

Type	Broker	Expiration Date	Number of Contracts	Value at Trade Date	Value at October 31, 2011	Unrealized Depreciation
Dow Jones-UBS Commodity Index . . . . .	Morgan Stanley	December 2011	(7)	\$ (99,089)	\$ (104,370)	\$ (5,281)
E-Mini Euro FX Future . . . . .	Morgan Stanley	December 2011	(55)	(4,703,119)	(4,785,000)	(81,881)
E-Mini MSCI Emerging Markets . . . . .	Morgan Stanley	December 2011	(102)	(4,501,836)	(4,980,660)	(478,824)
						<u>\$(565,986)</u>

Cash posted as collateral to broker for futures contracts was \$685,050 at October 31, 2011.

## Total return swap transactions outstanding at October 31, 2011:

Total Return Benchmark	Annual Financing Rate Received (Paid)	Expiration Date	Notional Amount	Unrealized Depreciation
iShares Dow Jones Real Estate . . . . .	(1.24)%	7/06/2012	\$ (9,099,615)	\$ (28,809)
SPDR Barclays Capital Convertible Securities ETF . . . . .	0.49%	7/06/2012	11,880,581	(4,080)
				<u>\$(32,889)</u>

Cash posted as collateral to broker for swap transactions was \$5,140,205 at October 31, 2011.

Morgan Stanley acts as the counterparty to the total return swap transactions listed above. The Fund either receives fees from, or pay fees to, the counterparty, depending upon the total return of the benchmark, and the agreed-upon financing rate.

See notes to financial statements.

# Schedules of Investments — IQ Hedge Macro Tracker ETF

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Investment Companies — 95.1%</b>			<b>Investment Companies (continued)</b>		
<b>Commodity Funds — 10.8%</b>			<b>Short-Term Treasury Bond Funds (continued)</b>		
iShares Silver Trust* . . . . .	20,771	\$ 694,582	SPDR Barclays Capital 1-3 Month		
PowerShares DB Commodity Index			T-Bill ETF* . . . . .	19,713	\$ 903,447
Tracking Fund* . . . . .	24,146	668,844	Vanguard Short-Term Bond ETF . . . . .	31,779	2,589,353
PowerShares DB Gold Fund* . . . . .	33,458	2,011,160	Total Short-Term Treasury Bond Funds		<u>8,199,317</u>
Total Commodity Funds		<u>3,374,586</u>	<b>Total Investment Companies — 95.1%</b>		
<b>Corporate Bond Funds — 24.3%</b>			<b>(Cost \$29,934,155)</b> . . . . .		<u><b>29,700,908</b></u>
iShares Barclays Credit Bond Fund . . . . .	3,825	417,690	<b>Short-Term Investment — 4.1%</b>		
iShares iBoxx \$ Investment Grade			<b>Money Market Fund — 4.1%</b>		
Corporate Bond Fund . . . . .	62,468	7,165,080	Invesco Treasury Portfolio Cash		
Total Corporate Bond Funds		<u>7,582,770</u>	Management, 0.02% <sup>(a)</sup>		
<b>Currency Harvest Fund — 5.2%</b>			<b>(Cost \$1,288,167)</b> . . . . .	1,288,167	<u><b>1,288,167</b></u>
PowerShares DB G10 Currency			<b>Total Investments — 99.2%</b>		
Harvest Fund* . . . . .	67,057	1,635,520	<b>(Cost \$31,222,322)</b> . . . . .		<u><b>\$30,989,075</b></u>
<b>Emerging Equity Funds — 27.7%</b>			<b>Other Assets in Excess of</b>		
iShares MSCI Emerging Markets Index . . . . .	86,301	3,521,081	<b>Liabilities — 0.8%<sup>(b)</sup></b> . . . . .		<u><b>257,205</b></u>
Vanguard MSCI Emerging Markets ETF . . . . .	123,375	5,118,829	<b>Net Assets — 100.0%</b> . . . . .		<u><u><b>\$31,246,280</b></u></u>
Total Emerging Equity Funds		<u>8,639,910</u>			
<b>International REITS — 0.9%</b>					
SPDR Dow Jones International					
Real Estate ETF . . . . .	7,667	268,805			
<b>Short-Term Treasury Bond Funds — 26.2%</b>					
iShares Barclays 1-3 Year Treasury					
Bond Fund . . . . .	38,940	3,292,377			
iShares Barclays Short Treasury					
Bond Fund . . . . .	12,829	1,414,140			

\* Non-income producing securities.

(a) Rate shown represents annualized 7-day yield as of October 31, 2011.

(b) Other Assets in Excess of Liabilities includes net unrealized depreciation on futures contracts.

ETF — Exchange Traded Fund

## Open futures contracts outstanding at October 31, 2011:

<u>Type</u>	<u>Broker</u>	<u>Expiration Date</u>	<u>Number of Contracts</u>	<u>Value at Trade Date</u>	<u>Value at October 31, 2011</u>	<u>Unrealized Depreciation</u>
E-Mini Euro FX Future . . . . .	Morgan Stanley	December 2011	(16)	\$(1,347,016)	\$(1,392,000)	\$ (44,984)
Russell 2000 Index Future . . . . .	Morgan Stanley	December 2011	(17)	(1,144,459)	(1,256,810)	(112,351)
						<u><u>\$(157,335)</u></u>

Cash posted as collateral to broker for futures contracts was \$148,450 at October 31, 2011.

See notes to financial statements.

# Schedules of Investments — IQ Real Return ETF

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Investment Companies — 100.0%</b>			<b>Short-Term Investment — 0.1%</b>		
<b>Commodity Fund — 4.0%</b>			<b>Money Market Fund — 0.1%</b>		
PowerShares DB Gold Fund* . . . . .	10,348	\$ 622,018	Invesco Treasury Portfolio Cash Management, 0.02% <sup>(a)</sup>		
<b>Currency Harvest Funds — 6.2%</b>			(Cost \$8,028) . . . . .	8,028	\$ 8,028
Euro Currency Trust . . . . .	3,282	452,489	<b>Total Investments — 100.1%</b>		
CurrencyShares Japanese Yen Trust* . . . . .	4,034	508,365	(Cost \$15,392,877) . . . . .		<b>\$15,580,342</b>
Total Currency Harvest Funds		<u>960,854</u>	<b>Liabilities in Excess of</b>		
<b>Short-Term Treasury Bond Funds — 71.5%</b>			<b>Other Assets — (0.1)% . . . . .</b>		
iShares Barclays Short Treasury Bond Fund . . . . .	61,683	6,799,317			<u>(6,507)</u>
SPDR Barclays Capital 1-3 Month T-Bill ETF* . . . . .	94,781	4,343,813	<b>Net Assets — 100.0% . . . . .</b>		
Total Short-Term Treasury Bond Funds		<u>11,143,130</u>			<u><b>\$15,573,835</b></u>
<b>U.S. Long-Term Treasury Bond Fund — 9.5%</b>			* Non-income producing securities.		
iShares Barclays 20+ Year Treasury Bond Fund . . . . .	12,763	1,478,977	(a) Rate shown represents annualized 7-day yield as of October 31, 2011.		
<b>U.S. Small Cap Equity Fund — 8.8%</b>			ETF — Exchange Traded Fund		
iShares Russell 2000 Index Fund . . . . .	18,485	1,367,335			
<b>Total Investment Companies — 100.0%</b>					
(Cost \$15,384,849) . . . . .		<u><b>15,572,314</b></u>			

See notes to financial statements.

# Schedules of Investments — IQ Global Resources ETF

October 31, 2011 (unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks — 93.0%</b>			<b>Common Stocks (continued)</b>		
<b>Australia — 13.9%</b>			<b>Hong Kong — 0.1%</b>		
BHP Billiton Ltd. ....	115,035	\$ 4,613,356	Lee & Man Paper Manufacturing Ltd. ....	245,993	\$ 102,959
Coal & Allied Industries Ltd. ....	15,302	2,008,228	<b>Ireland — 0.3%</b>		
Fortescue Metals Group Ltd. ....	66,432	341,833	Kerry Group PLC Class A .....	5,554	209,006
Iluka Resources Ltd. ....	6,523	112,113	<b>Italy — 0.7%</b>		
Macarthur Coal Ltd. ....	46,921	805,952	Eni SpA .....	23,847	531,856
New Hope Corp. Ltd. ....	140,139	884,649	<b>Japan — 3.9%</b>		
Newcrest Mining Ltd. ....	5,137	182,687	Ajinomoto Co., Inc. ....	24,307	275,256
OceanaGold Corp.* .....	20,368	52,727	Hokuetsu Kishu Paper Co., Ltd. ....	11,590	77,291
OZ Minerals Ltd. ....	7,034	86,717	Itoham Foods, Inc. ....	63,537	220,821
Whitehaven Coal Ltd. ....	88,458	558,405	Marudai Food Co., Ltd. ....	34,100	114,578
Woodside Petroleum Ltd. ....	4,724	183,236	Maruha Nichiro Holdings, Inc. ....	149,577	274,312
Total Australia		<u>9,829,903</u>	Mitsubishi Materials Corp. ....	28,176	76,967
<b>Belgium — 0.2%</b>			Mitsui & Co., Ltd. ....	12,072	180,364
Umicore SA .....	2,483	107,760	Nippon Meat Packers, Inc. ....	56,376	715,048
<b>Canada — 5.9%</b>			Nippon Paper Group, Inc. ....	7,378	170,789
Agnico-Eagle Mines Ltd. ....	1,883	81,974	Nisshin Seifun Group, Inc. ....	8,888	110,908
Alamos Gold, Inc. ....	1,435	26,656	Nissin Foods Holdings Co., Ltd. ....	3,718	143,761
Barrick Gold Corp. ....	10,989	544,444	Sumitomo Metal Mining Co., Ltd. ....	12,395	174,698
Canadian Natural Resources Ltd. ....	6,818	241,350	Toyo Suisan Kaisha Ltd. ....	3,446	88,741
Canfor Corp.* .....	6,348	64,423	Yamazaki Baking Co., Ltd. ....	7,363	98,394
Cenovus Energy, Inc. ....	4,597	158,008	Total Japan		<u>2,721,928</u>
Centerra Gold, Inc. ....	2,643	52,581	<b>Netherlands — 2.8%</b>		
Domtar Corp. ADR .....	2,138	175,124	Nutreco NV .....	8,736	587,315
Eldorado Gold Corp. ....	6,379	120,291	Royal Dutch Shell PLC Class A .....	39,263	1,403,601
Enbridge, Inc. ....	4,941	171,772	Total Netherlands		<u>1,990,916</u>
Goldcorp, Inc. ....	8,273	403,967	<b>Norway — 1.0%</b>		
Husky Energy, Inc. ....	5,666	145,978	Norsk Hydro ASA .....	32,638	172,055
IAMGOLD Corp. ....	3,934	84,879	Statoil ASA .....	19,679	507,101
Imperial Oil Ltd. ....	5,311	220,728	Total Norway		<u>679,156</u>
Kinross Gold Corp. ....	13,474	192,767	<b>Peru — 0.0%<sup>(a)</sup></b>		
New Gold, Inc.* .....	3,721	46,267	Hochschild Mining PLC .....	3,405	24,606
Pan American Silver Corp. ....	1,176	32,974	<b>Portugal — 0.1%</b>		
SEMAFO, Inc.* .....	3,348	25,786	Portucel-Empresa Produtora de Pasta e Papel SA .....	38,863	98,980
Silver Wheaton Corp. ....	3,516	121,843	<b>Singapore — 1.8%</b>		
Suncor Energy, Inc. ....	10,004	319,786	Golden Agri-Resources Ltd. ....	406,471	211,078
Teck Resources Ltd. Class B .....	14,004	563,403	Olam International Ltd. ....	69,265	141,109
TransCanada Corp. ....	4,467	190,553	Wilmar International Ltd. ....	205,997	900,219
West Fraser Timber Co., Ltd. ....	1,914	82,861	Total Singapore		<u>1,252,406</u>
Yamana Gold, Inc. ....	8,351	125,107	<b>Spain — 0.5%</b>		
Total Canada		<u>4,193,522</u>	Ebro Foods SA .....	4,602	94,229
<b>China — 0.8%</b>			Repsol YPF SA .....	7,662	234,044
CNOOC Ltd. ....	276,433	543,254	Total Spain		<u>328,273</u>
<b>Finland — 0.5%</b>			<b>Sweden — 4.4%</b>		
M-real Oyj Class B* .....	16,517	36,170	Holmen AB B Shares .....	4,599	131,439
UPM-Kymmene Oyj .....	25,780	304,923	Sandvik AB .....	211,718	2,951,760
Total Finland		<u>341,093</u>	Total Sweden		<u>3,083,199</u>
<b>France — 2.5%</b>			<b>Switzerland — 2.5%</b>		
GDF Suez .....	14,297	409,099	Aryzta AG .....	2,457	119,775
Suez Environnement Co. ....	20,016	316,733	Barry Callebaut AG* .....	168	160,997
Total SA .....	14,472	763,316	Lindt & Spruengli AG .....	72	224,235
Veolia Environnement .....	19,716	282,561			
Total France		<u>1,771,709</u>			
<b>Germany — 0.3%</b>					
Suedzucker AG .....	6,141	181,545			

See notes to financial statements.

Schedules of Investments — IQ Global Resources ETF (continued)

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks (continued)</b>			<b>Common Stocks (continued)</b>		
<b>Switzerland (continued)</b>			<b>United States (continued)</b>		
Sulzer AG .....	1,338	\$ 158,261	Freeport-McMoRan Copper & Gold, Inc. . .	20,102	\$ 809,307
Xstrata PLC .....	63,299	<u>1,068,197</u>	General Mills, Inc. ....	21,662	834,637
Total Switzerland .....		<u>1,731,465</u>	Green Mountain Coffee Roasters, Inc.* ...	3,056	198,701
			Halliburton Co. ....	5,464	204,135
<b>United Kingdom — 11.8%</b>			Hershey Co. ....	7,094	405,990
African Barrick Gold Ltd. ....	4,763	41,515	Hess Corp. ....	2,184	136,631
Anglo American PLC .....	29,439	1,089,814	Hormel Foods Corp. ....	63,296	1,865,333
Antofagasta PLC .....	22,544	424,651	ITT Corp. ....	7,295	332,652
Associated British Foods PLC .....	27,637	493,374	J.M. Smucker Co. ....	3,683	283,665
BG Group PLC .....	21,170	463,523	Joy Global, Inc. ....	17,256	1,504,723
BP PLC .....	135,302	1,006,783	Kellogg Co. ....	11,890	644,557
Centrica PLC .....	35,372	169,398	Kraft Foods, Inc. Class A .....	57,834	2,034,600
Eurasian Natural Resources Corp. ....	29,664	315,055	Louisiana-Pacific Corp.* .....	6,912	45,965
Kazakhmys PLC .....	12,511	187,299	McCormick & Co., Inc. ....	4,317	209,633
Lonmin PLC .....	4,596	80,712	MeadWestvaco Corp. ....	8,501	237,263
New World Resources PLC Class A .....	46,912	394,505	National Oilwell Varco, Inc. ....	2,687	191,664
Pennon Group PLC .....	14,494	162,711	Newmont Mining Corp. ....	5,729	382,869
Petropavlovsk PLC .....	2,192	26,058	Occidental Petroleum Corp. ....	5,214	484,589
Randgold Resources Ltd. ....	1,017	111,543	Peabody Energy Corp. ....	43,757	1,897,741
Rio Tinto PLC .....	42,693	2,332,631	Pentair, Inc. ....	3,960	142,362
Severn Trent PLC .....	9,657	236,305	Ralcorp Holdings, Inc.* .....	1,705	137,832
Tate & Lyle PLC .....	14,736	155,200	Royal Gold, Inc. ....	593	42,447
United Utilities Group PLC .....	27,405	268,282	Sara Lee Corp. ....	21,683	385,957
Vedanta Resources PLC .....	5,889	121,480	Schlumberger Ltd. ....	8,693	638,675
Weir Group PLC .....	8,428	<u>261,054</u>	Seaboard Corp. ....	273	600,054
Total United Kingdom .....		<u>8,341,893</u>	Smithfield Foods, Inc.* .....	38,030	869,366
			Tyson Foods, Inc. Class A .....	89,770	<u>1,732,561</u>
<b>United States — 39.0%</b>			Total United States .....		<u>27,513,143</u>
Alcoa, Inc. ....	20,966	225,594	<b>Total Common Stocks — 93.0%</b>		
Allied Nevada Gold Corp.* .....	852	32,359	<b>(Cost \$63,936,136) .....</b>		
Alpha Natural Resources, Inc.* .....	20,577	494,671	<b><u>65,578,572</u></b>		
American Water Works Co., Inc. ....	6,873	209,833	<b>Short-Term Investment — 4.9%</b>		
Anadarko Petroleum Corp. ....	3,204	251,514	<b>Money Market Fund — 4.9%</b>		
Apache Corp. ....	2,399	239,012	Invesco Treasury Portfolio Cash		
Aqua America, Inc. ....	5,657	125,529	Management, 0.02% <sup>(b)</sup>		
Arch Coal, Inc. ....	27,384	498,936	<b>(Cost \$3,501,648) .....</b>		
Archer-Daniels-Midland Co. ....	20,737	600,129	3,501,648	<b><u>3,501,648</u></b>	
Baker Hughes, Inc. ....	2,644	153,326	<b>Total Investments — 97.9%</b>		
Bunge Ltd. ....	4,721	291,616	<b>(Cost \$67,437,784) .....</b>		
Chevron Corp. ....	12,424	1,305,141	<b>\$69,080,220</b>		
Clearwater Paper Corp.* .....	1,177	38,994	<b>Other Assets in Excess of</b>		
Cliffs Natural Resources, Inc. ....	2,702	184,330	<b>Liabilities — 2.1%<sup>(c)</sup> .....</b>		
Coeur d'Alene Mines Corp.* .....	822	21,019	<b><u>1,455,880</u></b>		
ConAgra Foods, Inc. ....	14,246	360,851	<b>Net Assets — 100.0% .....</b>		
ConocoPhillips .....	9,132	636,044	<b><u>\$70,536,100</u></b>		
CONSOL Energy, Inc. ....	30,946	1,323,251	* Non-income producing securities.		
Corn Products International, Inc. ....	2,332	113,102	(a) Less than 0.05%.		
Devon Energy Corp. ....	2,763	179,457	(b) Rate shown represents annualized 7-day yield as of October 31, 2011.		
EOG Resources, Inc. ....	1,527	136,560	(c) Other Assets in Excess of Liabilities includes net unrealized depreciation on futures contracts.		
Exxon Mobil Corp. ....	32,638	2,548,701	ADR — American Depositary Receipts		
Flowers Foods, Inc. ....	4,319	87,201			
Flowserve Corp. ....	2,180	202,064			

**Open futures contracts outstanding at October 31, 2011:**

<u>Type</u>	<u>Broker</u>	<u>Expiration Date</u>	<u>Number of Contracts</u>	<u>Value at Trade Date</u>	<u>Value at October 31, 2011</u>	<u>Unrealized Depreciation</u>
E-Mini MSCI EAFE Index Future .....	Morgan Stanley	December 2011	(58)	\$ (4,037,046)	\$ (4,294,610)	\$ (257,564)
S&P 500 E-Mini Future .....	Morgan Stanley	December 2011	(76)	(4,426,773)	(4,747,340)	(320,567)
						<u>\$ (578,131)</u>

Cash posted as collateral to broker for futures contracts was \$652,000 at October 31, 2011.

See notes to financial statements.

# Schedules of Investments — IQ Merger Arbitrage ETF

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks — 81.2%</b>			<b>Common Stocks (continued)</b>		
<b>Consumer Discretionary — 0.9%</b>			<b>Information Technology (continued)</b>		
99 Cents Only Stores* . . . . .	7,889	\$ 171,980	S1 Corp.* . . . . .	7,918	\$ 77,042
<b>Consumer Staples — 6.4%</b>			Varian Semiconductor Equipment Associates, Inc.* . . . . .	14,648	919,455
Foster's Group Ltd. . . . .	224,752	1,270,943	Total Information Technology		<u>3,957,644</u>
<b>Energy — 7.6%</b>			<b>Materials — 6.7%</b>		
Bow Energy Ltd.* . . . . .	72,349	114,754	Macarthur Coal Ltd. . . . .	6,700	115,085
Global Industries Ltd.* . . . . .	26,936	214,141	Nalco Holding Co. . . . .	12,951	488,382
Hathor Exploration Ltd.* . . . . .	28,253	130,563	Sundance Resources Ltd.* . . . . .	250,167	115,455
Southern Union Co. . . . .	24,843	1,044,151	Temple-Inland, Inc. . . . .	19,040	605,662
Total Energy		<u>1,503,609</u>	Total Materials		<u>1,324,584</u>
<b>Financials — 5.4%</b>			<b>Telecommunication Services — 0.5%</b>		
Harleysville Group, Inc. . . . .	2,763	162,354	Paetec Holding Corp.* . . . . .	18,644	102,169
Promise Co. Ltd.* . . . . .	24,800	247,125	<b>Utilities — 6.1%</b>		
TMX Group, Inc. . . . .	7,285	321,252	Constellation Energy Group, Inc. . . . .	20,373	808,808
Transatlantic Holdings, Inc. . . . .	6,713	349,344	DPL, Inc. . . . .	13,167	399,619
Total Financials		<u>1,080,075</u>	Total Utilities		<u>1,208,427</u>
<b>Health Care — 14.3%</b>			<b>Total Common Stocks — 81.2%</b>		
Caliper Life Sciences, Inc.* . . . . .	8,214	86,083	<b>(Cost \$15,775,398)</b> . . . . .		<u><b>16,116,066</b></u>
Emdeon, Inc., Class A* . . . . .	6,407	121,541	<b>Short-Term Investment — 15.5%</b>		
Kinetic Concepts, Inc.* . . . . .	8,082	552,728	<b>Money Market Fund — 15.5%</b>		
Medco Health Solutions, Inc.* . . . . .	19,102	1,047,936	Invesco Treasury Portfolio Cash Management, 0.02% <sup>(a)</sup>		
PharMerica Corp.* . . . . .	6,334	98,810	<b>(Cost \$3,066,852)</b> . . . . .	3,066,852	<u><b>3,066,852</b></u>
Synthes, Inc. . . . .	5,534	935,467	<b>Total Investments — 96.7%</b>		
Total Health Care		<u>2,842,565</u>	<b>(Cost \$18,842,250)</b> . . . . .		<u><b>\$19,182,918</b></u>
<b>Industrials — 13.4%</b>			<b>Other Assets in Excess of Liabilities — 3.3%<sup>(b)</sup></b> . . . . .		<u><b>658,700</b></u>
Charter International PLC . . . . .	12,821	185,629	<b>Net Assets — 100.0%</b> . . . . .		<u><b>\$19,841,618</b></u>
Dollar Thrifty Automotive Group, Inc.* . . . . .	5,049	308,191			
Goodrich Corp. . . . .	17,616	2,160,250			
Total Industrials		<u>2,654,070</u>			
<b>Information Technology — 19.9%</b>					
LoopNet, Inc.* . . . . .	6,689	118,328			
Motorola Mobility Holdings, Inc.* . . . . .	49,563	1,927,010			
Netlogic Microsystems, Inc.* . . . . .	18,614	915,809			

\* Non-income producing securities.

(a) Rate shown represents annualized 7-day yield as of October 31, 2011.

(b) Other Assets in Excess of Liabilities includes net unrealized depreciation on futures contracts.

## Open futures contracts outstanding at October 31, 2011:

<u>Type</u>	<u>Broker</u>	<u>Expiration Date</u>	<u>Number of Contracts</u>	<u>Value at Trade Date</u>	<u>Value at October 31, 2011</u>	<u>Unrealized Depreciation</u>
E-Mini MSCI EAFE Index Future . . . . .	Morgan Stanley	December 2011	(11)	\$(765,647)	\$ (814,495)	\$ (48,848)
S&P 500 Mini Future . . . . .	Morgan Stanley	December 2011	(14)	(815,458)	(874,510)	(59,052)
						<u>\$(107,900)</u>

Cash posted as collateral to broker for futures contracts was \$122,000 at October 31, 2011.

See notes to financial statements.

# Schedules of Investments — IQ Australia Small Cap ETF

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks — 97.5%</b>			<b>Common Stocks (continued)</b>		
<b>Consumer Discretionary — 18.2%</b>			<b>Industrials (continued)</b>		
APN News & Media Ltd. ....	100,349	\$ 93,157	Downer EDI Ltd.* .....	98,879	\$ 319,963
Aristocrat Leisure Ltd. ....	111,772	269,187	Emeco Holdings Ltd. ....	150,817	159,209
Austar United Communications Ltd.* .....	138,899	170,207	Forge Group Ltd. ....	13,149	66,544
Billabong International Ltd. ....	49,658	225,490	GWA Group Ltd. ....	59,791	145,901
Consolidated Media Holdings Ltd. ....	40,097	111,883	Industrea Ltd. ....	85,597	116,696
David Jones Ltd. ....	119,618	430,221	Macmahon Holdings Ltd.* .....	145,519	94,177
Flight Centre Ltd. ....	13,180	277,989	Mermaid Marine Australia Ltd. ....	50,981	167,133
G.U.D. Holdings Ltd. ....	15,741	130,430	Mineral Resources Ltd. ....	28,620	341,903
Invocare Ltd. ....	25,784	190,121	Monadelphous Group Ltd. ....	20,533	397,349
JB Hi-Fi Ltd. ....	23,225	389,814	NRW Holdings Ltd. ....	59,794	155,424
Myer Holdings Ltd. ....	138,939	384,733	SAI Global Ltd. ....	47,679	239,267
Navitas Ltd. ....	49,098	216,176	Seek Ltd. ....	78,023	514,883
Pacific Brands Ltd. ....	222,532	141,657	Spotless Group Ltd. ....	61,911	131,369
Seven West Media Ltd. ....	86,092	328,822	Transfield Services Ltd. ....	110,786	267,988
Southern Cross Media Group Ltd. ....	133,977	174,836	Transpacific Industries Group Ltd.* .....	127,774	100,994
Ten Network Holdings Ltd.* .....	144,341	142,419	Transpacific Industries Group Ltd.*† .....	82,140	64,924
Wotif.com Holdings Ltd. ....	28,192	110,668	UGL Ltd. ....	39,115	549,863
Total Consumer Discretionary		<u>3,787,810</u>	Virgin Blue Holdings Ltd.* .....	42,541	16,925
			Total Industrials		<u>5,162,587</u>
<b>Consumer Staples — 3.2%</b>			<b>Information Technology — 2.2%</b>		
Goodman Fielder Ltd. ....	448,482	261,699	carsales.com. ....	50,953	267,590
GrainCorp Ltd. ....	47,383	397,644	Iress Market Technology Ltd. ....	23,821	192,327
Total Consumer Staples		<u>659,343</u>	Total Information Technology		<u>459,917</u>
<b>Energy — 9.1%</b>			<b>Materials — 26.9%</b>		
Aurora Oil & Gas Ltd.* .....	95,930	295,153	Adelaide Brighton Ltd. ....	115,753	352,460
AWE Ltd.* .....	127,901	188,618	Aditya Birla Minerals Ltd. ....	36,688	38,340
Bandanna Energy Ltd.* .....	43,198	38,040	Alkane Resources Ltd.* .....	47,333	59,257
Beach Energy Ltd. ....	258,197	323,243	Ampella Mining Ltd.* .....	44,215	84,907
Coalspur Mines Ltd.* .....	96,535	191,523	Aquarius Platinum Ltd. ....	94,046	284,368
Eastern Star Gas Ltd.* .....	194,894	184,028	Discovery Metals Ltd.* .....	95,801	141,788
Energy Resources of Australia Ltd.* .....	14,405	30,337	DuluxGroup Ltd. ....	85,821	240,377
Energy Resources of Australia Ltd.*† .....	24,694	52,005	Gindalbie Metals Ltd.* .....	189,170	110,385
Gloucester Coal Ltd.* .....	17,730	128,853	Gold One International Ltd.* .....	156,337	90,397
Karooon Gas Australia Ltd.* .....	40,593	192,510	Grange Resources Ltd. ....	87,792	42,380
Linc Energy Ltd.* .....	73,888	163,054	Imdex Ltd. ....	46,304	103,656
Matrix Composites & Engineering Ltd. ....	11,707	39,870	Independence Group NL .....	48,481	273,639
Nexus Energy Ltd.* .....	290,117	66,177	Intrepid Mines Ltd.* .....	124,313	150,355
Total Energy		<u>1,893,411</u>	Ivanhoe Australia Ltd.* .....	37,368	42,421
			Kagara Ltd.* .....	130,399	56,030
<b>Financials — 4.1%</b>			Kingsgate Consolidated Ltd. ....	32,224	256,069
Bank of Queensland Ltd. ....	52,573	470,203	Medusa Mining Ltd. ....	44,315	312,657
FlexiGroup Ltd. ....	44,388	105,960	Mirabela Nickel Ltd.* .....	99,748	175,674
IOOF Holdings Ltd. ....	43,079	290,682	Mount Gibson Iron Ltd. ....	153,187	251,099
Total Financials		<u>866,845</u>	Nufarm Ltd.* .....	42,740	214,482
<b>Health Care — 7.3%</b>			OM Holdings Ltd. ....	67,764	43,855
AcruX Ltd. ....	38,060	136,484	PanAust Ltd.* .....	112,233	388,180
Ansell Ltd. ....	32,366	480,742	Perseus Mining Ltd.* .....	100,655	334,253
Mesoblast Ltd.* .....	36,775	319,935	Ramelius Resources Ltd. ....	64,766	84,518
Primary Health Care Ltd. ....	106,096	375,959	Regis Resources Ltd.* .....	87,604	278,831
Sigma Pharmaceuticals Ltd. ....	274,667	203,986	Resolute Mining Ltd.* .....	84,763	149,732
Total Health Care		<u>1,517,106</u>	Sandfire Resources NL* .....	22,423	162,722
			Silver Lake Resources Ltd.* .....	42,710	145,908
<b>Industrials — 24.8%</b>			St. Barbara Ltd.* .....	77,502	180,074
Ausdrill Ltd. ....	58,298	181,224	Sundance Resources Ltd.* .....	552,058	254,782
Boart Longyear Ltd. ....	110,182	377,579	Western Areas NL .....	34,008	209,269
Bradken Ltd. ....	38,592	316,499	White Energy Co., Ltd.* .....	58,092	103,543
Cabcharge Australia Ltd. ....	26,320	117,561	Total Materials		<u>5,616,408</u>
CSR Ltd. ....	123,309	319,212			

See notes to financial statements.

Schedules of Investments — IQ Australia Small Cap ETF (continued)

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks (continued)</b>			<b>Short-Term Investment — 0.0%<sup>(a)</sup></b>		
<b>Telecommunication Services — 0.5%</b>			<b>Money Market Fund — 0.0%<sup>(a)</sup></b>		
TPG Telecom Ltd. ....	68,392	\$ 104,124	Invesco Treasury Portfolio Cash Management, 0.02% <sup>(b)</sup>		
<b>Utilities — 1.2%</b>			<b>(Cost \$5,193)</b> .....	5,193	\$ 5,193
Energy World Corp., Ltd.* .....	201,079	123,734	<b>Total Investments — 97.5%</b>		
Envestra Ltd. ....	180,316	123,393	<b>(Cost \$23,651,450)</b> .....		<b>\$20,319,871</b>
Total Utilities		<u>247,127</u>	<b>Other Assets in Excess of</b>		
<b>Total Common Stocks — 97.5%</b>			<b>Liabilities — 2.5%</b> .....		<u><b>521,912</b></u>
<b>(Cost \$23,646,257)</b> .....		<u><b>20,314,678</b></u>	<b>Net Assets — 100.0%</b> .....		<u><u><b>\$20,841,783</b></u></u>

\* Non-income producing securities.

† Entitlement shares.

(a) Less than 0.05%.

(b) Rate shown represents annualized 7-day yield as of October 31, 2011.

See notes to financial statements.

# Schedules of Investments — IQ Canada Small Cap ETF

October 31, 2011 (unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks — 99.8%</b>			<b>Common Stocks (continued)</b>		
<b>Consumer Discretionary — 1.6%</b>			<b>Industrials (continued)</b>		
Great Canadian Gaming Corp.*	20,067	\$ 165,668	WestJet Airlines Ltd.	47,389	\$ 622,629
RONA, Inc.	44,345	428,605	Total Industrials		<u>2,997,877</u>
Yellow Media, Inc.	175,458	64,477	<b>Information Technology — 3.7%</b>		
Total Consumer Discretionary		<u>658,750</u>	Open Text Corp.*	19,491	1,197,227
<b>Consumer Staples — 1.8%</b>			Wi-LAN, Inc.	41,922	313,175
Cott Corp.*	32,245	227,249	Total Information Technology		<u>1,510,402</u>
Jean Coutu Group (PJC), Inc. Class A	39,146	502,503	<b>Materials — 43.0%</b>		
Total Consumer Staples		<u>729,752</u>	Alamos Gold, Inc.	39,969	742,439
<b>Energy — 31.5%</b>			Anvil Mining Ltd.*	33,235	240,918
Advantage Oil & Gas Ltd.*	56,297	299,835	Augusta Resource Corp.*	35,006	130,402
AltaGas Ltd.	28,352	839,499	AuRico Gold, Inc.*	95,112	924,068
Angle Energy, Inc.*	24,679	159,516	Aurizon Mines Ltd.*	55,299	314,006
Bankers Petroleum Ltd.*	84,131	448,925	Avion Gold Corp.*	148,927	319,370
Birchcliff Energy Ltd.*	43,061	655,507	B2Gold Corp.*	101,397	374,656
BlackPearl Resources, Inc.*	96,792	462,886	Banro Corp.*	65,038	277,635
BNK Petroleum, Inc.*	42,633	88,421	Canfor Corp.*	26,198	265,870
Canyon Services Group, Inc.	15,543	187,158	Capstone Mining Corp.*	99,097	337,224
Celtic Exploration Ltd.*	26,876	668,078	China Gold International		
Crew Energy, Inc.*	40,657	448,629	Resources Corp., Ltd.*	53,870	163,251
Daylight Energy Ltd.	72,350	717,491	Colossus Minerals, Inc.*	35,629	254,685
Denison Mines Corp.*	104,614	165,360	Copper Mountain Mining Corp.*	33,316	178,446
Enerflex Ltd.	20,999	216,914	Dundee Precious Metals, Inc.*	32,745	263,740
Ensign Energy Services, Inc.	43,094	650,369	Eastern Platinum Ltd.*	308,742	202,046
Flint Energy Services Ltd.*	15,595	187,627	Endeavour Silver Corp.*	28,903	314,565
Gasfrac Energy Services, Inc.*	21,041	162,481	European Goldfields Ltd.*	46,248	522,429
Ivanhoe Energy, Inc.*	98,273	121,697	Extorre Gold Mines Ltd.*	31,210	233,152
Legacy Oil + Gas, Inc.*	42,738	388,117	First Majestic Silver Corp.*	35,325	602,117
NAL Energy Corp.	50,531	449,221	Fortuna Silver Mines, Inc.*	41,933	267,240
Nuvista Energy Ltd.	33,828	209,456	Golden Star Resources Ltd.*	87,914	174,368
Petrobank Energy and Resources Ltd.*	36,144	326,415	Grande Cache Coal Corp.*	33,420	332,097
Peyto Exploration & Development Corp.	45,235	990,547	Great Basin Gold Ltd.*	161,478	227,606
Progress Energy Resources Corp.	61,423	872,568	Guyana Goldfields, Inc.*	28,349	250,025
Provident Energy Ltd.	92,030	836,678	Harry Winston Diamond Corp.*	28,803	350,305
Savanna Energy Services Corp.*	28,794	243,803	HudBay Minerals, Inc.	58,451	642,623
TransGlobe Energy Corp.*	24,812	256,301	Katanga Mining Ltd.*	162,104	231,752
Trican Well Service Ltd.	49,711	882,361	Kirkland Lake Gold, Inc.*	21,112	395,989
Trinidad Drilling Ltd.	41,086	322,649	Lake Shore Gold Corp.*	135,764	202,296
Uranium One, Inc.	159,446	481,589	Mercator Minerals Ltd.*	83,924	171,523
Total Energy		<u>12,740,098</u>	Methanex Corp.	31,682	819,761
<b>Financials — 8.2%</b>			Minefinders Corp., Ltd.*	27,607	392,738
Canadian Western Bank	25,571	733,726	Minera Andes, Inc.*	66,311	127,515
Dundee Corp. Class A*	16,856	406,445	Neo Material Technologies, Inc.*	40,787	316,605
GMP Capital, Inc.	16,935	121,397	Nevsun Resources Ltd.	67,291	356,356
Industrial Alliance Insurance and			North American Palladium Ltd.*	48,645	163,089
Financial Services, Inc.	28,624	934,585	Northern Dynasty Minerals Ltd.*	23,892	194,600
TMX Group, Inc.	25,364	1,118,493	NovaGold Resources, Inc.*	63,127	581,537
Total Financials		<u>3,314,646</u>	Premier Gold Mines Ltd.*	41,313	218,367
<b>Health Care — 0.7%</b>			Quadra FNX Mining Ltd.*	65,053	753,194
CML Healthcare, Inc.	30,541	297,953	Romarco Minerals, Inc.*	171,090	168,808
<b>Industrials — 7.4%</b>			Rubicon Minerals Corp.*	80,267	326,482
Air Canada Class B*	68,586	99,435	Sabina Gold & Silver Corp.*	40,324	175,384
CAE, Inc.	87,440	935,804	San Gold Corp.*	105,714	219,251
Progressive Waste Solutions Ltd.	41,075	868,437	SEMAFO, Inc.*	92,727	714,182
Russel Metals, Inc.	20,418	471,572	Sheritt International Corp.	100,268	578,440
			Silvercorp Metals, Inc.	59,512	555,425
			Taseko Mines Ltd.*	66,404	242,016
			Thompson Creek Metals Co., Inc.*	57,067	411,376
			Torex Gold Resources, Inc.*	119,050	182,186
			Total Materials		<u>17,404,155</u>

See notes to financial statements.

Schedules of Investments — IQ Canada Small Cap ETF (continued)

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>
<b>Common Stocks (continued)</b>		
<b>Telecommunication Services — 0.6%</b>		
Manitoba Telecom Services, Inc. ....	7,371	\$ 236,955
<b>Utilities — 1.3%</b>		
Just Energy Group, Inc. ....	46,851	507,543
<b>Total Common Stocks — 99.8%</b>		
<b>(Cost \$49,717,939)</b> .....		<b>\$40,398,131</b>
<b>Other Assets in Excess of</b>		
<b>Liabilities — 0.2%</b> .....		<b>71,908</b>
<b>Net Assets — 100.0%</b> .....		<b><u>\$40,470,039</u></b>

\* Non-income producing securities.

See notes to financial statements.

# Schedules of Investments — IQ South Korea Small Cap ETF

October 31, 2011 (unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks — 99.0%</b>			<b>Common Stocks (continued)</b>		
<b>Consumer Discretionary — 24.3%</b>			<b>Industrials — 14.8%</b>		
Agabang&Company . . . . .	4,857	\$ 46,677	Dongkuk Structures & Construction Co., Ltd. . . . .	7,810	\$ 26,710
Dae Won Kang Up Co., Ltd. . . . .	11,620	53,056	Doosan Engineering & Construction Co., Ltd. . . . .	43,070	152,739
Dongyang Mechatronics Corp. . . . .	7,675	102,499	Halla Engineering & Construction Corp. . . . .	5,290	69,932
Grand Korea Leisure Co., Ltd. . . . .	10,363	187,024	Hyunjin Materials Co., Ltd.* . . . . .	3,920	42,093
Hanil E-Wha Co., Ltd. . . . .	9,612	90,205	Iijin Electric, Ltd. . . . .	5,839	27,978
Hansae Co., Ltd. . . . .	5	31	iMarketKorea, Inc. . . . .	6,245	103,689
Hotel Shilla Co., Ltd. . . . .	11,739	400,939	Korea Aerospace Industries Ltd.* . . . . .	14,524	490,162
Hwa Shin Co., Ltd. . . . .	7,901	115,856	S&T Dynamics Co., Ltd. . . . .	7,688	104,754
Hyundai Greenfood Co., Ltd. . . . .	18,770	255,754	STX Corp. . . . .	14,319	186,062
Hyundai HY Communications & Networks Co., Ltd.* . . . . .	14,816	39,239	STX Engine Co., Ltd. . . . .	6,499	115,237
Interpark Corp.* . . . . .	13,334	77,006	STX Metal Co., Ltd. . . . .	3,110	19,476
Kolao Holdings . . . . .	3,994	30,815	Sung Kwang Bend Co., Ltd. . . . .	5,549	89,128
LG Fashion Corp. . . . .	6,738	274,214	Taeyoung Engineering & Construction . . . . .	19,030	102,517
Lotte Midopa Co., Ltd. . . . .	4,664	65,655	Taihan Electric Wire Co., Ltd.* . . . . .	45,808	170,509
Nexen Tire Corp. . . . .	11,846	203,099	Y G-1 Co., Ltd. . . . .	4,067	57,251
Paradise Co., Ltd. . . . .	19,455	139,039	Total Industrials		<u>1,758,237</u>
Pyeong Hwa Automotive Co., Ltd. . . . .	3,255	56,100	<b>Information Technology — 24.7%</b>		
Sejong Industrial Co., Ltd. . . . .	2,590	37,160	Aminologics Co., Ltd.* . . . . .	15,121	68,769
SL Corp. . . . .	5,459	130,293	Asia Pacific Systems, Inc.* . . . . .	7,360	77,372
SM Entertainment Co.* . . . . .	4,254	188,862	AUK Corp. . . . .	1	2
Ssangyong Motor Co.* . . . . .	12,476	65,859	CrucialTec Co., Ltd.* . . . . .	5,959	74,205
Sungwoo Hitech Co., Ltd. . . . .	10,305	173,889	Daeduck Electronics Co., Ltd. . . . .	13,688	134,632
Tera Resource Co., Ltd.* . . . . .	62,082	39,831	Daou Technology, Inc. . . . .	9,514	87,139
Tk Chemical Corp.* . . . . .	15,686	37,651	Duksan Hi-Metal Co., Ltd.* . . . . .	6,233	143,423
Woongjin Chemical Co., Ltd.* . . . . .	88,773	71,935	DuzonBlzon Co., Ltd.* . . . . .	7,234	46,608
Total Consumer Discretionary		<u>2,882,688</u>	GameHi Co., Ltd.* . . . . .	5,587	56,213
<b>Consumer Staples — 2.4%</b>			Gemvax & Kael Co., Ltd.* . . . . .	6,809	262,972
CNK International Co., Ltd.* . . . . .	15,909	150,735	Hanmi Semiconductor Co., Ltd. . . . .	3	16
Daesang Corp. . . . .	6,961	88,567	Iijin Display Co., Ltd.* . . . . .	5,610	52,647
Harim & Co., Ltd.* . . . . .	9,660	46,984	Iijin Materials Co., Ltd. . . . .	4,985	85,692
Korea Kolmar Co., Ltd. . . . .	2	13	Jusung Engineering Co., Ltd.* . . . . .	8,787	73,344
Total Consumer Staples		<u>286,299</u>	KC Tech Co., Ltd. . . . .	6,439	30,214
<b>Financials — 13.1%</b>			Lumens Co., Ltd.* . . . . .	13,727	72,958
Daishin Securities Co. . . . .	17,350	161,257	Melfas, Inc. . . . .	4,570	113,198
Eugene Investment & Securities Co., Ltd.* . . . . .	16,965	52,049	Neowiz Games Corp.* . . . . .	5,223	313,889
Hanwha Securities Co., Ltd. . . . .	20,722	95,925	NEPES Corp. . . . .	6,034	87,390
HMC Investment Securities Co., Ltd.* . . . . .	5,810	79,165	Osung LST Co., Ltd.* . . . . .	5,502	57,592
Korean Reinsurance Co. . . . .	30,690	416,788	Partron Co., Ltd. . . . .	7,618	90,396
LIG Insurance Co., Ltd. . . . .	15,169	328,511	POSCO ICT Co., Ltd.* . . . . .	12,858	105,468
Meritz Fire & Marine Insurance Co., Ltd. . . . .	19,502	188,298	SFA Engineering Corp. . . . .	5,512	259,634
SK Securities Co., Ltd. . . . .	76,081	96,800	Signetics Corp.* . . . . .	10,168	43,078
Tong Yang Securities, Inc. . . . .	29,993	128,151	Silicon Works Co., Ltd. . . . .	3,486	89,022
Total Financials		<u>1,546,944</u>	Simm Tech Co., Ltd. . . . .	6,234	69,473
<b>Health Care — 7.8%</b>			SK Communications Co., Ltd.* . . . . .	5,236	83,865
Bukwang Pharmaceutical Co., Ltd. . . . .	5,301	86,102	SNU Precision Co., Ltd. . . . .	5,493	66,667
Chabio & Diostech Co., Ltd.* . . . . .	21,805	262,675	STS Semiconductor & Telecommunications Co., Ltd.* . . . . .	11,703	103,069
HanAll Biopharma Co., Ltd.* . . . . .	10,092	86,422	Wonik IPS Co., Ltd.* . . . . .	17,590	142,536
Medipost Co., Ltd.* . . . . .	2,178	320,548	Woongjin Energy Co., Ltd.* . . . . .	6,507	40,515
RNL BIO Co., Ltd.* . . . . .	24,850	173,336	Total Information Technology		<u>2,931,998</u>
Total Health Care		<u>929,083</u>			

See notes to financial statements.

Schedules of Investments — IQ South Korea Small Cap ETF (continued)

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks (continued)</b>			<b>Common Stocks (continued)</b>		
<b>Materials — 10.2%</b>			<b>Utilities — 0.2%</b>		
Capro Corp. ....	8,074	\$ 199,992	Korea Electronic Power Industrial Development Co., Ltd. ....	4,429	\$ 23,539
Dongbu HiTek Co., Ltd.* .....	9,951	74,260	<b>Total Common Stocks — 99.0%</b>		
Dongbu Steel Co., Ltd. ....	9,998	52,056	<b>(Cost \$10,586,628)</b> .....		<u><b>11,743,030</b></u>
Dongjin Semichem Co., Ltd. ....	10,070	35,711	<b>Right — 0.2%</b>		
Foosung Co., Ltd.* .....	17,954	131,714	<b>Health Care — 0.2%</b>		
Hansol Paper Co., Ltd. ....	14,918	113,076	Medipost Co. Ltd., expiring 11/11/11*		
Huchems Fine Chemical Corp. ....	7,979	167,039	<b>(Cost \$0)</b> .....	250	<u><b>18,070</b></u>
Kolon Plastic, Inc.* .....	2,978	15,693	<b>Short-Term Investment — 0.2%</b>		
Moorim P&P Co., Ltd. ....	10,319	53,448	<b>Money Market Fund — 0.2%</b>		
Namhae Chemical Corp. ....	7,467	74,454	Invesco Treasury Portfolio Cash Management, 0.02% <sup>(a)</sup>		
Namsun Aluminum Co., Ltd.* .....	3	2	<b>(Cost \$25,068)</b> .....	25,068	<u><b>25,068</b></u>
Poongsan Corp. ....	6,488	201,982	<b>Total Investments — 99.4%</b>		
Songwon Industrial Co., Ltd. ....	5,489	63,152	<b>(Cost \$10,611,696)</b> .....		<u><b>\$11,786,168</b></u>
Ssangyong Cement Industrial Co., Ltd.* ...	5,722	<u>23,235</u>	<b>Other Assets in Excess of</b>		
Total Materials		<u>1,205,814</u>	<b>Liabilities — 0.6%</b> .....		<u><b>75,909</b></u>
<b>Telecommunication Services — 1.5%</b>			<b>Net Assets — 100.0%</b> .....		<u><u><b>\$11,862,077</b></u></u>
SK Broadband Co., Ltd.* .....	49,996	<u>178,428</u>			

\* Non-income producing securities.

(a) Rate shown represents annualized 7-day yield as of October 31, 2011.

See notes to financial statements.

# Schedules of Investments — IQ Taiwan Small Cap ETF

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks — 96.4%</b>			<b>Common Stocks (continued)</b>		
<b>Consumer Discretionary — 13.0%</b>			<b>Information Technology (continued)</b>		
Altek Corp. ....	41,321	\$ 38,672	Compal Communications, Inc. ....	32,036	\$ 46,580
Ambassador Hotel .....	30,603	37,438	Compeq Manufacturing Co., Ltd.* .....	110,684	44,395
Asia Optical Co., Inc.* .....	24,515	27,860	CyberTAN Technology, Inc. ....	34,000	34,491
Aurora Corp. ....	15,286	25,010	Darfon Electronics Corp. ....	131	81
Johnson Health Tech Co., Ltd. ....	6,000	12,775	D-Link Corp. ....	68,493	55,975
Lealea Enterprise Co., Ltd. ....	76,849	29,797	Edison Opto Corp. ....	218	472
Makalot Industrial Co., Ltd. ....	14,537	32,992	Elan Microelectronics Corp. ....	43,893	44,307
Mercuries & Associates Ltd. ....	38,046	41,075	Elite Semiconductor Memory Technology, Inc. ....	145	148
Merida Industry Co., Ltd. ....	18,917	45,841	Elitegroup Computer Systems Co., Ltd.* ...	78,892	19,672
Nien Hsing Textile Co., Ltd. ....	28,710	20,584	Entire Technology Co., Ltd. ....	15,899	24,658
Sanyang Industry Co., Ltd. ....	82,234	49,476	Faraday Technology Corp. ....	34,292	31,578
Shinkong Textile Co., Ltd. ....	21,545	28,085	Flexium Interconnect, Inc. ....	18,000	47,710
Test-Rite International Co., Ltd. ....	40,900	30,144	Forhouse Corp. ....	42,304	24,321
Tsann Kuen Enterprise Co., Ltd. ....	11,000	23,788	Formosa Epitaxy, Inc. ....	39,971	25,518
Young Optics, Inc. ....	6,715	20,200	Gemtek Technology Corp. ....	318	305
Total Consumer Discretionary		<u>463,737</u>	Genesis Photonics, Inc.* .....	25,000	36,224
<b>Consumer Staples — 6.1%</b>			Gigabyte Technology Co., Ltd. ....	53,649	43,933
Great Wall Enterprise Co., Ltd. ....	47,360	48,915	Gigastorage Corp. ....	333	225
Hey Song Corp. ....	46,632	46,760	Global Mixed-Mode Technology, Inc. ....	350	1,037
Lien Hwa Industrial Corp. ....	64,225	40,143	Global Unichip Corp. ....	8,581	34,705
Taiwan Tea Corp. ....	64,241	34,463	Greatek Electronics, Inc. ....	59,039	40,454
Wei Chuan Food Corp. ....	41,796	47,149	Holy Stone Enterprise Co., Ltd. ....	29,633	27,733
Total Consumer Staples		<u>217,430</u>	ICP Electronics, Inc. ....	18,414	26,127
<b>Financials — 4.4%</b>			Infotrend Technology, Inc. ....	26,941	27,285
China Bills Finance Corp. ....	102,202	36,723	ITEQ Corp. ....	28,877	31,755
Hung Poo Real Estate Development Corp. ....	22,768	19,482	Jentech Precision Industrial Co., Ltd. ....	4,619	12,691
Hung Sheng Construction Co., Ltd. ....	52,000	24,333	King Yuan Electronics Co., Ltd. ....	135,349	52,931
Kindom Construction Co., Ltd. ....	34,347	22,731	Kinpo Electronics, Inc. ....	154,990	40,149
Shining Building Business Co., Ltd.* .....	32,569	34,345	LOTES Co., Ltd. ....	38	111
Taiwan Acceptance Corp. ....	10,749	21,162	Micro-Star International Co., Ltd. ....	97,267	43,890
Total Financials		<u>158,776</u>	Min Aik Technology Co., Ltd. ....	15,047	28,819
<b>Health Care — 1.0%</b>			Mitac International Corp. ....	122,000	44,040
YungShin Global Holding Corp. ....	23,110	35,957	Neo Solar Power Corp. ....	34,000	27,615
<b>Industrials — 11.8%</b>			Opto Tech Corp. ....	978	400
AcBel Polytech, Inc. ....	36,616	17,134	Pan Jit International, Inc. ....	32,483	18,023
BES Engineering Corp. ....	162,180	45,806	San Chih Semiconductor Co. ....	761	879
Continental Holdings Corp. ....	49,032	17,618	Silicon Integrated Systems Corp. ....	58,708	23,155
First Steamship Co., Ltd. ....	25,983	44,292	Solartech Energy Corp. ....	22,050	20,710
Kerry TJ Logistics Co., Ltd. ....	51,388	54,621	Sunplus Technology Co., Ltd. ....	891	363
King Slide Works Co., Ltd. ....	7,084	30,782	Taiflex Scientific Co., Ltd. ....	16,736	18,656
Phihong Technology Co., Ltd. ....	24,520	32,660	Taiwan Surface Mounting Technology Corp. ....	25,434	57,468
Powercom Co., Ltd.* .....	94	75	Tong Hsing Electronic Industries Ltd. ....	13,185	34,066
Shih Wei Navigation Co., Ltd. ....	28,198	28,888	TXC Corp. ....	32,465	38,793
Shin Zu Shing Co., Ltd. ....	13,760	27,458	Unity Opto Technology Co., Ltd. ....	35,478	28,757
Silitech Technology Corp. ....	12,280	33,534	Unizyx Holding Corp. ....	39,732	26,693
Wisdom Marine Lines Co., Ltd. ....	20,501	25,525	Visual Photonics Epitaxy Co., Ltd. ....	21,025	28,778
Yungtay Engineering Co., Ltd. ....	37,803	61,661	Wah Lee Industrial Corp. ....	18,053	24,499
Total Industrials		<u>420,054</u>	Walsin Technology Corp. ....	343	108
<b>Information Technology — 42.4%</b>			WT Microelectronics Co., Ltd. ....	23,268	32,353
Ability Enterprise Co., Ltd. ....	40,000	37,436	Zinwell Corp. ....	29,033	36,391
Ali Corp. ....	24,909	29,307	Total Information Technology		<u>1,513,994</u>
Alpha Networks, Inc. ....	31,778	21,668	<b>Materials — 17.7%</b>		
Career Technology MFG. Co., Ltd. ....	34,812	54,688	Asia Polymer Corp. ....	26,232	35,949
CMC Magnetics Corp.* .....	302,000	60,868	Cheng Loong Corp. ....	93,976	37,065
			Chia Hsin Cement Corp. ....	59,000	29,384
			China Manmade Fibers Corp.* .....	127,698	45,884

See notes to financial statements.

Schedules of Investments — IQ Taiwan Small Cap ETF (continued)

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks (continued)</b>			<b>Short-Term Investment — 1.0%</b>		
<b>Materials (continued)</b>			<b>Money Market Fund — 1.0%</b>		
China Synthetic Rubber Corp. ....	58,705	\$ 51,409	Invesco Treasury Portfolio Cash		
Everlight Chemical Industrial Corp. ....	35,341	22,267	Management, 0.02% <sup>(b)</sup>		
Formosan Rubber Group, Inc. ....	46,146	33,625	<b>(Cost \$36,877)</b> .....	36,877	<b>\$ 36,877</b>
Grand Pacific Petrochemical Corp. ....	98,793	49,367	<b>Total Investments — 97.4%</b>		
Great China Metal Industry Co., Inc. ....	27,470	30,805	<b>(Cost \$3,932,895)</b> .....		<b>\$3,479,842</b>
Ho Tung Chemical Corp.* .....	68,955	39,182	<b>Other Assets in Excess of</b>		
Nantex Industry Co., Ltd. ....	25,440	22,534	<b>Liabilities — 2.6%</b> .....		<b>92,729</b>
Shinkong Synthetic Fibers Corp. ....	173,663	55,028	<b>Net Assets — 100.0%</b> .....		<b>\$3,572,571</b>
Ta Chen Stainless Pipe Co., Ltd.* .....	67,402	35,032			
Taiwan Hon Chuan Enterprise Co., Ltd. ....	27,210	59,298			
UPC Technology Corp. ....	74,261	37,853			
Yieh Phui Enterprise Co., Ltd. ....	143,602	48,238			
Total Materials		<u>632,920</u>			
<b>Total Common Stocks — 96.4%</b>					
<b>(Cost \$3,896,018)</b> .....		<b><u>3,442,868</u></b>			
<b>Right — 0.0%</b> <sup>(a)</sup>					
<b>Information Technology — 0.0%</b> <sup>(a)</sup>					
Jentech Precision Industrial Co., Ltd.,					
expiring 11/3/11					
<b>(Cost \$0)</b> .....	402	<u>97</u>			

\* Non-income producing securities.

(a) Less than 0.05%.

(b) Rate shown represents annualized 7-day yield as of October 31, 2011.

See notes to financial statements.

# Schedules of Investments — IQ Global Agribusiness Small Cap ETF

October 31, 2011 (unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks — 99.2%</b>			<b>Common Stocks (continued)</b>		
<b>Australia — 4.8%</b>			<b>Japan (continued)</b>		
Elders Ltd.*	294,591	\$ 87,513	NOF Corp.	115,411	\$ 549,118
GrainCorp Ltd.	141,980	1,191,513	Yamatane Corp.	62,523	102,635
Nufarm Ltd.*	128,062	642,653	Total Japan		9,171,948
Total Australia		1,921,679			
<b>Brazil — 2.7%</b>			<b>Luxembourg — 1.8%</b>		
Cosan Ltd. Class A ADR	91,082	1,092,984	Adecoagro SA*	74,602	725,132
<b>Canada — 6.8%</b>			<b>Netherlands — 6.0%</b>		
Viterra, Inc.	266,097	2,748,709	CSM NV	48,438	726,284
			Nutreco NV	25,143	1,690,347
			Total Netherlands		2,416,631
<b>China — 7.6%</b>			<b>Singapore — 2.0%</b>		
China Bluechemical Ltd. Class H	1,264,537	1,003,161	First Resources Ltd.	261,526	296,690
China Corn Oil Co., Ltd.	185,854	79,942	Indofood Agri Resources Ltd.*	323,530	357,984
China Green Agriculture, Inc. ADR*	12,492	50,468	Mewah International, Inc.	458,863	157,635
China Minzhong Food Corp., Ltd.*	290,607	242,618	Total Singapore		812,309
China Modern Dairy Holdings Ltd.*	2,398,809	580,781			
First Tractor Co., Ltd. Class H	289,488	264,323	<b>Spain — 3.5%</b>		
Shenguan Holdings Group Ltd.	890,489	485,096	Deoleo SA*	250,350	127,454
Yongye International, Inc. ADR*	26,510	133,610	Ebro Foods SA	62,703	1,283,885
Zhongpin, Inc. ADR*	23,690	218,659	Total Spain		1,411,339
Total China		3,058,658			
<b>Hong Kong — 6.8%</b>			<b>Thailand — 1.1%</b>		
Asian Citrus Holdings Ltd.	471,416	329,657	GFPT PCL	439,762	133,001
Chaoda Modern Agriculture (Holdings) Ltd.	1,900,012	269,158	Khon Kaen Sugar Industry PCL	443,862	168,884
China Agri-Industries Holdings Ltd.	1,217,292	987,629	Thai Vegetable Oil PCL	268,355	145,741
China Foods Ltd.	511,830	408,014	Total Thailand		447,626
Global Bio-chem Technology Group Co., Ltd.	1,367,521	324,049			
Sinofert Holdings Ltd.	1,268,282	424,666	<b>United Kingdom — 1.4%</b>		
Total Hong Kong		2,743,173	Devro PLC	117,887	468,092
			Pursuit Dynamics PLC*	33,772	104,253
<b>Indonesia — 7.2%</b>			Total United Kingdom		572,345
PT Bakrie Sumatera Plantations Tbk	7,759,755	258,585			
PT Charoen Pokphand Indonesia Tbk	5,232,899	1,581,249	<b>United States — 23.3%</b>		
PT Japfa Comfeed Indonesia Tbk	618,938	356,575	Andersons, Inc.	13,316	491,627
PT Malindo Feedmill Tbk	497,806	57,920	Chiquita Brands International, Inc.*	32,514	288,724
PT Perusahaan Perkebunan London Sumatra Indonesia Tbk	1,976,358	491,159	CVR Partners LP	13,474	338,871
PT Sampoerna Agro Tbk	445,310	152,168	Dole Food Co., Inc.*	26,007	275,154
Total Indonesia		2,897,656	Lindsay Corp.	8,998	522,784
			Smithfield Foods, Inc.*	118,136	2,700,589
<b>Ireland — 1.5%</b>			Toro Co.	21,952	1,186,286
Glanbia PLC	95,544	629,009	Tractor Supply Co.	51,122	3,626,595
			Total United States		9,430,630
<b>Japan — 22.7%</b>			<b>Total Common Stocks — 99.2%</b>		<b>40,079,828</b>
Fuji Oil Co., Ltd.	43,769	628,118	<b>(Cost \$44,662,181)</b>		
House Foods Corp.	52,218	956,967	<b>Short-Term Investment — 0.7%</b>		
Iseki & Co., Ltd.*	132,111	296,498	<b>Money Market Fund — 0.7%</b>		
Itoham Foods, Inc.	102,860	357,487	Invesco Treasury Portfolio Cash Management, 0.02% <sup>(a)</sup>		
J-Oil Mills, Inc.	61,839	180,025	<b>(Cost \$282,334)</b>	282,334	<b>282,334</b>
Kewpie Corp.	77,337	1,064,221	<b>Total Investments — 99.9%</b>		
Kumiai Chemical Industry Co., Ltd.	50,547	181,509	<b>(Cost \$44,944,515)</b>		<b>\$40,362,162</b>
Mitsui Sugar Co., Ltd.	54,772	232,504	<b>Other Assets in Excess of Liabilities — 0.1%</b>		
Morinaga Milk Industry Co., Ltd.	140,612	566,235			<b>47,341</b>
Nihon Nohyaku Co., Ltd.	29,419	131,296	<b>Net Assets — 100.0%</b>		
Nippon Flour Mills Co., Ltd.	93,672	422,860			<b>\$40,409,503</b>
Nippon Meat Packers, Inc.	120,938	1,533,924			
Nisshin Oillio Group Ltd.	70,492	319,124			
Nisshin Seifun Group, Inc.	132,183	1,649,427			

\* Non-income producing securities.

(a) Rate shown represents annualized 7-day yield as of October 31, 2011.

ADR — American Depositary Receipts

LP — Limited Partnership

PCL — Public Company Limited

See notes to financial statements.

# Schedules of Investments — IQ Global Oil Small Cap ETF

October 31, 2011 (unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks — 99.6%</b>			<b>Common Stocks (continued)</b>		
<b>Australia — 3.0%</b>			<b>Norway — 1.4%</b>		
Caltex Australia Ltd. ....	3,098	\$ 43,715	DNO International ASA* .....	15,260	\$ 18,167
Horizon Oil Ltd.* .....	22,858	5,820	Norwegian Energy Co. ASA* .....	4,626	5,033
Total Australia		49,535	Total Norway		23,200
<b>Bermuda — 1.0%</b>			<b>Russia — 2.0%</b>		
Archer Ltd.* .....	3,721	15,918	Alliance Oil Co., Ltd.* .....	2,527	33,121
<b>Canada — 9.3%</b>			<b>Switzerland — 0.8%</b>		
Bankers Petroleum Ltd.* .....	5,680	30,309	Petroplus Holdings AG* .....	2,185	13,198
Canyon Services Group, Inc. ....	1,049	12,631	<b>Thailand — 6.2%</b>		
Cequence Energy Ltd.* .....	2,845	13,061	Bangchak Petroleum PCL .....	7,619	4,311
Ensign Energy Services, Inc. ....	2,909	43,902	Esso Thailand PCL .....	27,459	8,126
Ithaca Energy, Inc.* .....	5,868	13,116	IRPC PCL .....	228,992	28,596
Ivanhoe Energy, Inc. ADR* .....	6,635	8,360	PTT Global Chemical PCL* .....	12,707	27,067
Southern Pacific Resource Corp.* .....	7,787	11,525	Thai Oil PCL .....	18,728	35,477
TransGlobe Energy Corp. ADR* .....	1,675	17,253	Total Thailand		103,577
Twin Butte Energy Ltd.* .....	3,108	5,945	<b>United Arab Emirates — 3.8%</b>		
Total Canada		156,102	Dragon Oil PLC .....	5,743	51,308
<b>China — 1.6%</b>			Exillon Energy PLC* .....	2,588	12,532
China Automation Group Ltd. ....	13,084	4,617	Total United Arab Emirates		63,840
Hilong Holding Ltd. ....	10,451	2,140	<b>United Kingdom — 3.1%</b>		
Sinopec Shanghai Petrochemical Co., Ltd. Class H .....	53,476	19,972	Max Petroleum PLC* .....	21,193	5,046
Total China		26,729	Nautical Petroleum PLC* .....	2,013	9,618
<b>Colombia — 3.8%</b>			Rockhopper Exploration PLC* .....	5,925	20,466
Petrominerales Ltd. ....	2,375	62,887	Salamander Energy PLC* .....	3,082	9,890
<b>Finland — 2.2%</b>			Xcite Energy Ltd.* .....	3,626	7,418
Neste Oil Oyj .....	2,937	35,988	Total United Kingdom		52,438
<b>France — 2.4%</b>			<b>United States — 46.1%</b>		
Etablissements Maurel et Prom .....	1,932	39,343	Alon USA Energy, Inc. ....	231	1,756
<b>Hong Kong — 0.5%</b>			BPZ Resources, Inc.* .....	2,290	6,847
Sino Oil And Gas Holdings Ltd.* .....	222,609	8,457	CVR Energy, Inc.* .....	1,987	49,198
<b>Italy — 1.8%</b>			Gulfport Energy Corp.* .....	947	29,490
ERG SpA .....	1,282	15,914	Harvest Natural Resources, Inc.* .....	779	8,312
Saras SpA* .....	8,194	13,589	HollyFrontier Corp. ....	4,821	147,957
Total Italy		29,503	Key Energy Services, Inc.* .....	3,460	44,738
<b>Japan — 3.7%</b>			Kodiak Oil & Gas Corp.* .....	4,721	32,622
Cosmo Oil Co., Ltd. ....	12,296	31,223	Lufkin Industries, Inc. ....	699	41,304
Showa Shell Sekiyu K.K. ....	4,178	30,809	Magnum Hunter Resources Corp.* .....	2,900	13,050
Total Japan		62,032	Oceanering International, Inc. ....	2,491	104,199
<b>Mongolia — 0.0%<sup>(a)</sup></b>			Oilfanking Partners LP* .....	228	6,202
Petro Matad Ltd.* .....	2,163	784	PetroQuest Energy, Inc.* .....	1,290	9,404
<b>Netherlands — 6.9%</b>			Pioneer Drilling Co.* .....	1,415	13,994
Core Laboratories NV ADR .....	1,069	115,730	SemGroup Corp. Class A* .....	953	26,665
			Stone Energy Corp.* .....	1,125	27,326
			Sunoco, Inc. ....	2,479	92,293
			Tesoro Corp.* .....	3,302	85,654
			VAALCO Energy, Inc.* .....	1,309	8,914
			Western Refining, Inc.* .....	1,230	19,655
			Total United States		769,580
			<b>Total Common Stocks — 99.6%</b>		
			<b>(Cost \$1,914,642) .....</b>		
			<b>1,661,962</b>		

See notes to financial statements.

Schedules of Investments — IQ Global Oil Small Cap ETF (continued)

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>
<b>Warrant — 0.0%</b> <sup>(a)</sup>		
<b>United States — 0.0%</b> <sup>(a)</sup>		
Magnum Hunter Resources Corp.* (Cost \$0) .....	265	\$ —
<b>Short-Term Investment — 0.1%</b>		
<b>Money Market Fund — 0.1%</b>		
Invesco Treasury Portfolio Cash Management, 0.02% <sup>(b)</sup> (Cost \$1,217) .....	1,217	<u>1,217</u>
<b>Total Investments — 99.7%</b>		
(Cost \$1,915,859) .....		<b>\$1,663,179</b>
<b>Other Assets in Excess of</b>		
<b>Liabilities — 0.3%</b> .....		<u>5,631</u>
<b>Net Assets — 100.0%</b> .....		<u><b>\$1,668,810</b></u>

\* Non-income producing securities.

(a) Less than 0.05%.

(b) Rate shown represents annualized 7-day yield as of October 31, 2011.

ADR — American Depositary Receipts

K.K. — Kabushiki Kaisha

LP — Limited Partnership

PCL — Public Company Limited

See notes to financial statements.

# Schedules of Investments — IQ Hong Kong Small Cap ETF

October 31, 2011 (unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks — 97.8%</b>			<b>Common Stocks (continued)</b>		
<b>Consumer Discretionary — 29.7%</b>			<b>Financials (continued)</b>		
Bonjour Holdings Ltd. ....	37,551	\$ 6,093	Value Partners Group Ltd. ....	22,795	\$ 13,357
Cafe De Coral Holdings Ltd. ....	11,976	27,206	Yuexiu Property Co., Ltd. ....	175,031	27,500
China Travel International Investment Hong Kong Ltd. ....	90,668	13,895	Total Financials		191,221
Chow Sang Sang Holdings International Ltd. ....	9,887	31,068	<b>Health Care — 6.0%</b>		
Daphne International Holdings Ltd. ....	30,097	31,938	Anxin-China Holdings Ltd.* ....	64,578	13,972
Emperor Watch & Jewellery Ltd. ....	107,207	17,948	China Pharmaceutical Group Ltd. ....	25,276	6,998
Giordano International Ltd. ....	41,611	31,885	China Shineway Pharmaceutical Group Ltd. ....	13,280	18,813
I.T. Ltd. ....	15,111	9,613	Guangzhou Pharmaceutical Co., Ltd. Class H ....	7,448	5,314
Kingston Financial Group Ltd. ....	172,348	18,644	Hua Han Bio-Pharmaceutical Holdings Ltd. ....	28,983	6,532
Luk Fook Holdings (International) Ltd. ....	10,443	45,793	Sino Biopharmaceutical Ltd. ....	65,527	20,253
Man Wah Holdings Ltd. ....	12,720	7,208	United Laboratories International Holdings Ltd. ....	15,584	12,222
Melco International Development Ltd. ....	23,492	19,302	Viva China Holdings Ltd.* ....	252,652	4,588
PCD Stores Group Ltd. ....	89,113	13,542	Total Health Care		88,692
Phoenix Satellite Television Holdings Ltd. ....	29,492	8,926	<b>Industrials — 11.0%</b>		
Ports Design Ltd. ....	11,340	20,504	China Everbright International Ltd. ....	62,222	18,350
REXLot Holdings Ltd. ....	223,573	15,836	CITIC Resources Holdings Ltd.* ....	101,322	14,615
Sa Sa International Holdings Ltd. ....	32,791	19,890	COSCO International Holdings Ltd. ....	20,605	8,943
Silver Base Group Holdings Ltd. ....	13,717	14,874	EVA Precision Industrial Holdings Ltd. ....	37,288	9,748
Skyworth Digital Holdings Ltd. ....	60,910	32,867	Fook Woo Group Holdings Ltd.* ....	33,537	6,435
Sparkle Roll Group Ltd. ....	72,535	7,380	Goodtop Tin International Holdings Ltd.* ..	78,587	8,805
Texwinca Holdings Ltd. ....	21,339	27,344	Interchina Holdings Co., Ltd.* ....	79,572	4,150
VODone Ltd. ....	78,144	11,674	Pacific Basin Shipping Ltd. ....	57,593	26,701
Xtep International Holdings Ltd. ....	18,008	7,050	Shenzhen International Holdings Ltd. ....	285,096	18,725
Total Consumer Discretionary		440,480	Shun Tak Holdings Ltd. ....	32,978	15,587
<b>Consumer Staples — 4.4%</b>			Singamas Container Holdings Ltd. ....	49,649	11,509
Chaoda Modern Agriculture (Holdings) Ltd. ....	89,955	12,743	Sinotrans Shipping Ltd. ....	47,151	11,962
China Modern Dairy Holdings Ltd.* ....	113,451	27,468	Tianjin Development Holdings Ltd.* ....	16,918	7,996
Global Bio-chem Technology Group Co., Ltd. ....	64,693	15,330	Total Industrials		163,526
Yashili International Holdings Ltd. ....	57,319	9,891	<b>Information Technology — 7.2%</b>		
Total Consumer Staples		65,432	BYD Electronic International Co., Ltd.* ....	20,431	7,420
<b>Energy — 2.2%</b>			China Wireless Technologies Ltd. ....	46,084	7,953
China Qinfa Group Ltd.* ....	23,342	4,539	Comba Telecom Systems Holdings Ltd. ....	27,567	23,680
Mongolia Energy Corp., Ltd.* ....	161,722	15,829	Hi Sun Technology (China) Ltd.* ....	60,535	17,775
Sino Oil and Gas Holdings Ltd.* ....	328,529	12,481	Kingdee International Software Group Co., Ltd. ....	59,378	24,393
Total Energy		32,849	TCL Communication Technology Holdings Ltd. ....	19,556	9,847
<b>Financials — 12.9%</b>			TPV Technology Ltd. ....	30,461	8,748
C C Land Holdings Ltd. ....	38,344	9,432	Truly International Holdings Ltd. ....	46,738	7,102
China Overseas Grand Oceans Group Ltd.	15,708	12,178	Total Information Technology		106,918
Dah Sing Banking Group Ltd. ....	10,716	10,557	<b>Materials — 14.5%</b>		
Dah Sing Financial Group ....	4,433	13,987	AMVIG Holdings Ltd. ....	16,278	10,230
Emperor International Holdings Ltd. ....	36,763	6,249	Chiho-Tiande Group Ltd. ....	10,168	5,657
Great Eagle Holdings Ltd. ....	9,257	20,862	China Glass Holdings Ltd. ....	25,313	4,825
Guotai Junan International Holdings Ltd. ...	13,887	3,970	China Precious Metal Resources Holdings Co., Ltd.* ....	101,057	19,782
Hopson Development Holdings Ltd. ....	22,063	13,951	China Resources and Transportation Group Ltd.* ....	432,154	15,583
K Wah International Holdings Ltd. ....	35,983	9,917	G-Resources Group Ltd.* ....	571,761	34,976
Kowloon Development Co., Ltd. ....	10,843	10,501	IRC Ltd.* ....	39,162	6,052
Polytec Asset Holdings Ltd. ....	39,934	3,549			
Shanghai Industrial Urban Development Group Ltd.* ....	47,273	8,949			
Shenzhen Investment Ltd. ....	68,298	14,777			
Silver Grant International Industries Ltd. ....	48,731	11,485			

See notes to financial statements.

Schedules of Investments — IQ Hong Kong Small Cap ETF (continued)

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks (continued)</b>			<b>Common Stocks (continued)</b>		
<b>Materials (continued)</b>			<b>Utilities — 6.6%</b>		
Jinchuan Group International			Beijing Enterprises Water Group Ltd.*	105,595	\$ 26,246
Resources Co., Ltd.*	36,840	\$ 8,635	China Gas Holdings Ltd.	148,462	43,210
Lee & Man Holding Ltd.	6,986	4,768	China Power International		
Minmetals Resources Ltd.*	50,955	26,183	Development Ltd.	53,677	11,475
North Mining Shares Co., Ltd.*	237,299	6,356	China Power New Energy		
Shougang Concord International			Development Co., Ltd.*	173,316	7,477
Enterprises Co., Ltd.	158,941	11,258	China Water Affairs Group Ltd.	34,946	10,126
Sino Union Energy Investment Group Ltd.*	127,724	8,882	Total Utilities		98,534
TCC International Holdings Ltd.	30,776	14,625	<b>Total Common Stocks — 97.8%</b>		
West China Cement Ltd.	84,774	16,158	<b>(Cost \$1,860,065)</b>		<b>1,452,729</b>
Winsway Coking Coal Holdings	66,322	22,121			
Total Materials		<u>216,091</u>	<b>Short-Term Investment — 2.1%</b>		
			<b>Money Market Fund — 2.1%</b>		
<b>Telecommunication Services — 3.3%</b>			<b>Money Market Fund — 2.1%</b>		
Citic Telecom International Holdings Ltd.	30,299	6,828	Invesco Treasury Portfolio Cash		
Hutchison Telecommunications Hong			Management, 0.02% <sup>(a)</sup>		
Kong Holdings Ltd.	57,085	20,584	<b>(Cost \$30,672)</b>	30,672	<b>30,672</b>
SmarTone Telecommunications			<b>Total Investments — 99.9%</b>		
Holding Ltd.	11,474	21,574	<b>(Cost \$1,890,737)</b>		<b>\$1,483,401</b>
Total Telecommunication Services		<u>48,986</u>	<b>Other Assets in Excess of</b>		
			<b>Liabilities — 0.1%</b>		<b>2,151</b>
			<b>Net Assets — 100.0%</b>		<b>\$1,485,552</b>

\* Non-income producing securities.

(a) Rate shown represents annualized 7-day yield as of October 31, 2011.

See notes to financial statements.

# Schedules of Investments — IQ Japan Mid Cap ETF

October 31, 2011 (unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks — 98.4%</b>			<b>Common Stocks (continued)</b>		
<b>Consumer Discretionary — 14.8%</b>			<b>Industrials — 28.5%</b>		
ABC-MART, Inc. ....	200	\$ 7,938	Amada Co., Ltd. ....	3,000	\$ 20,314
ASICS Corp. ....	1,400	18,924	Chiyoda Corp. ....	1,000	11,747
Don Quijote Co., Ltd. ....	400	14,784	Ebara Corp. ....	3,000	11,196
J Front Retailing Co., Ltd. ....	4,000	17,852	Furukawa Electric Co., Ltd. ....	6,000	17,159
Koito Manufacturing Co., Ltd. ....	1,000	15,441	GS Yuasa Corp. ....	3,000	16,082
K's Holdings Corp. ....	400	17,082	Hino Motors Ltd. ....	2,000	12,029
Namco Bandai Holdings, Inc. ....	1,800	26,547	IHI Corp. ....	13,000	30,343
NHK Spring Co., Ltd. ....	2,000	18,724	Japan Steel Works Ltd. ....	3,000	21,007
NOK Corp. ....	900	15,709	JTEKT Corp. ....	1,800	20,268
Sanrio Co., Ltd. ....	400	20,058	Kajima Corp. ....	9,000	29,202
Stanley Electric Co., Ltd. ....	1,300	19,406	Kamigumi Co., Ltd. ....	2,000	17,595
Start Today Co., Ltd. ....	400	8,557	Kawasaki Kisen Kaisha Ltd. ....	6,000	12,542
Sumitomo Rubber Industries Ltd. ....	1,500	19,006	Keihan Electric Railway Co., Ltd. ....	4,000	18,416
Takashimaya Co., Ltd. ....	3,000	21,738	Keio Corp. ....	4,000	27,701
Takata Corp. ....	300	7,452	Kurita Water Industries Ltd. ....	900	25,220
Toho Co., Ltd. ....	1,200	20,899	Nabtesco Corp. ....	900	20,153
Toyoda Gosei Co., Ltd. ....	600	10,888	Nagoya Railroad Co., Ltd. ....	7,000	18,403
Toyota Boshoku Corp. ....	600	7,410	Nippon Sheet Glass Co., Ltd. ....	8,000	17,647
Total Consumer Discretionary		<u>288,415</u>	NTN Corp. ....	4,000	18,108
<b>Consumer Staples — 5.3%</b>			Obayashi Corp. ....	6,000	27,778
FamilyMart Co., Ltd. ....	500	19,814	Shimizu Corp. ....	6,000	26,008
Nippon Meat Packers, Inc. ....	2,000	25,367	Sojitz Corp. ....	11,100	19,218
Nisshin Seifun Group, Inc. ....	1,500	18,717	Sumitomo Heavy Industries Ltd. ....	5,000	28,984
Toyo Suisan Kaisha Ltd. ....	1,000	25,752	Taisei Corp. ....	10,000	27,060
Yamazaki Baking Co., Ltd. ....	1,000	13,363	THK Co., Ltd. ....	1,100	21,894
Total Consumer Staples		<u>103,013</u>	Toto Ltd. ....	3,000	25,277
<b>Energy — 1.9%</b>			Ushio, Inc. ....	1,000	15,133
Cosmo Oil Co., Ltd. ....	5,000	12,696	Total Industrials		<u>556,484</u>
Japan Petroleum Exploration Co., Ltd. ....	300	12,081	<b>Information Technology — 9.2%</b>		
Showa Shell Sekiyu K.K. ....	1,600	11,799	Advantest Corp. ....	1,500	17,948
Total Energy		<u>36,576</u>	Brother Industries Ltd. ....	2,100	28,009
<b>Financials — 18.5%</b>			Elpida Memory, Inc.* ....	2,300	14,719
ACOM Co., Ltd.* ....	290	5,259	Hamamatsu Photonics K.K. ....	700	27,201
Aozora Bank Ltd. ....	13,000	33,344	Hitachi High-Technologies Corp. ....	600	12,789
Bank of Kyoto Ltd. ....	3,000	25,854	Konami Corp. ....	800	26,593
Chugoku Bank Ltd. ....	2,000	26,521	Seiko Epson Corp. ....	1,200	16,221
Credit Saison Co., Ltd. ....	1,400	28,135	Shimadzu Corp. ....	2,000	17,416
Fukuoka Financial Group, Inc. ....	7,000	27,560	Yaskawa Electric Corp. ....	2,000	17,698
Gunma Bank Ltd. ....	4,000	20,776	Total Information Technology		<u>178,594</u>
Hachijuni Bank Ltd. ....	4,000	22,520	<b>Materials — 16.2%</b>		
Hiroshima Bank Ltd. ....	4,000	18,057	Air Water, Inc. ....	2,000	25,777
Hokuhoku Financial Group, Inc. ....	11,000	20,878	Daicel Corp. ....	2,000	11,568
Iyo Bank Ltd. ....	2,000	19,032	Daido Steel Co., Ltd. ....	3,000	18,660
Joyo Bank Ltd. ....	6,000	25,470	Denki Kagaku Kogyo K.K. ....	4,000	15,595
Nishi-Nippon City Bank Ltd. ....	6,000	16,621	Kaneka Corp. ....	2,000	10,952
Nomura Real Estate Holdings, Inc. ....	800	13,235	Kansai Paint Co., Ltd. ....	2,000	19,083
Shinsei Bank Ltd. ....	19,000	21,443	Mitsubishi Gas Chemical Co., Inc. ....	3,000	19,968
Tokyu Land Corp. ....	4,000	17,185	Mitsui Chemicals, Inc. ....	8,000	26,983
Yamaguchi Financial Group, Inc. ....	2,000	18,108	Nippon Paper Group, Inc. ....	900	20,834
Total Financials		<u>359,998</u>	Nippon Shokubai Co., Ltd. ....	1,000	10,414
<b>Health Care — 1.9%</b>			OSAKA Titanium Technologies Co., Ltd. ....	200	11,273
Dainippon Sumitomo Pharma Co., Ltd. ....	1,300	14,421	Showa Denko K.K. ....	12,000	22,315
Sysmex Corp. ....	700	23,368	Taiyo Nippon Sanso Corp. ....	2,000	14,492
Total Health Care		<u>37,789</u>	Teijin Ltd. ....	8,000	28,625

See notes to financial statements.

Schedules of Investments — IQ Japan Mid Cap ETF (continued)

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks (continued)</b>			<b>Short-Term Investment — 1.0%</b>		
<b>Materials (continued)</b>			<b>Money Market Fund — 1.0%</b>		
Tosoh Corp. ....	4,000	\$ 13,338	Invesco Treasury Portfolio Cash		
Toyo Seikan Kaisha Ltd. ....	1,400	21,761	Management, 0.02% <sup>(a)</sup>		
Ube Industries Ltd. ....	8,000	<u>24,008</u>	<b>(Cost \$20,213)</b> .....	20,213	<b>\$ 20,213</b>
Total Materials		<u>315,646</u>	<b>Total Investments — 99.4%</b>		
			<b>(Cost \$1,989,066)</b> .....		<b>\$1,938,568</b>
<b>Utilities — 2.1%</b>			<b>Other Assets in Excess of</b>		
Hokkaido Electric Power Co., Inc. ....	1,500	19,064	<b>Liabilities — 0.6%</b> .....		
Toho Gas Co., Ltd. ....	4,000	<u>22,776</u>			
Total Utilities		<u>41,840</u>	<b>Net Assets — 100.0%</b> .....		
<b>Total Common Stocks — 98.4%</b>					<b><u>\$1,950,467</u></b>
<b>(Cost \$1,968,853)</b> .....		<b><u>1,918,355</u></b>			

\* Non-income producing securities.

(a) Rate shown represents annualized 7-day yield as of October 31, 2011.

K.K. — Kabushiki Kaisha

See notes to financial statements.

# Schedules of Investments — IQ US Real Estate Small Cap ETF

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks — 99.0%</b>			<b>Common Stocks (continued)</b>		
<b>Diversified REITs — 10.5%</b>			<b>Residential REITs — 5.1%</b>		
CapLease, Inc. ....	22,417	\$ 87,650	Associated Estates Realty Corp. ....	13,679	\$ 232,270
Cousins Properties, Inc. ....	34,162	224,103	Education Realty Trust, Inc. ....	23,861	220,714
Investors Real Estate Trust ....	26,764	198,321	Total Residential REITs		<u>452,984</u>
Redwood Trust, Inc. ....	25,873	300,644	<b>Retail REITs — 14.7%</b>		
Resource Capital Corp. ....	23,921	<u>128,456</u>	Acadia Realty Trust ....	13,287	275,307
Total Diversified REITs		<u>939,174</u>	Cedar Shopping Centers, Inc. ....	18,369	67,414
<b>Hotel REITs — 12.7%</b>			Getty Realty Corp. ....	8,909	142,009
Ashford Hospitality Trust ....	22,385	199,227	Glimcher Realty Trust ....	35,394	324,209
FelCor Lodging Trust, Inc.* ....	41,004	123,422	Inland Real Estate Corp. ....	25,463	190,973
Hersha Hospitality Trust ....	49,803	219,631	Pennsylvania Real Estate Investment Trust .	18,340	188,168
Pebblebrook Hotel Trust ....	16,765	319,038	Ramco-Gershenson Properties Trust . . . . .	12,698	<u>122,536</u>
Sunstone Hotel Investors, Inc.* ....	38,619	<u>268,402</u>	Total Retail REITs		<u>1,310,616</u>
Total Hotel REITs		<u>1,129,720</u>	<b>Specialized REITs — 14.1%</b>		
<b>Mortgage REITs — 25.4%</b>			Cogdell Spencer, Inc. ....	16,815	67,933
Anworth Mortgage Asset Corp. ....	42,738	275,660	DCT Industrial Trust, Inc. ....	80,880	401,165
ARMOUR Residential REIT, Inc. ....	25,221	180,330	CubeSmart ....	29,481	289,209
CreXus Investment Corp. ....	25,235	241,247	Medical Properties Trust, Inc. ....	36,796	371,639
Dynex Capital, Inc. ....	13,288	116,403	Sabra Health Care REIT, Inc. ....	12,145	<u>124,729</u>
Gramercy Capital Corp.* ....	11,676	34,795	Total Specialized REITs		<u>1,254,675</u>
Invesco Mortgage Capital ....	38,008	599,766	<b>Total Common Stocks — 99.0%</b>		
iStar Financial, Inc.* ....	26,755	181,667	<b>(Cost \$9,421,963) . . . . .</b>		
Newcastle Investment Corp. ....	33,531	153,907			<b><u>8,823,392</u></b>
NorthStar Realty Finance Corp. ....	31,605	124,840	<b>Short-Term Investment — 0.3%</b>		
RAIT Financial Trust ....	12,657	65,816	<b>Money Market Fund — 0.3%</b>		
Starwood Property Trust, Inc. ....	15,351	<u>288,445</u>	Invesco Treasury Portfolio Cash		
Total Mortgage REITs		<u>2,262,876</u>	Management, 0.02% <sup>(a)</sup>		
<b>Office REITs — 16.5%</b>			<b>(Cost \$32,781) . . . . .</b>	32,781	<b><u>32,781</u></b>
First Industrial Realty Trust, Inc.* ....	28,530	281,020	<b>Total Investments — 99.3%</b>		
First Potomac Realty Trust ....	16,487	234,280	<b>(Cost \$9,454,744) . . . . .</b>		
Franklin Street Properties Corp. ....	23,338	296,393			<b><u>\$8,856,173</u></b>
Government Properties Income Trust . . . . .	11,614	273,277	<b>Other Assets in Excess of</b>		
Lexington Realty Trust ....	45,243	355,610	<b>Liabilities — 0.7% . . . . .</b>		
MPG Office Trust, Inc.* ....	13,710	<u>32,767</u>			<b><u>61,147</u></b>
Total Office REITs		<u>1,473,347</u>	<b>Net Assets — 100.0% . . . . .</b>		
					<b><u>\$8,917,320</u></b>

\* Non-income producing securities.

(a) Rate shown represents annualized 7-day yield as of October 31, 2011.

REITs — Real Estate Investment Trusts

See notes to financial statements.

# Schedules of Investments — IQ Emerging Markets Mid Cap ETF

October 31, 2011 (unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks — 95.5%</b>			<b>Common Stocks (continued)</b>		
<b>Brazil — 8.6%</b>			<b>Hong Kong — 3.0%</b>		
Anhanguera Educacional			Beijing Capital International Airport Co., Ltd. Class H	24,000	\$ 10,911
Participacoes SA	900	\$ 13,554	Franshion Properties China Ltd.	42,000	8,762
BR Properties SA	1,200	12,291	Glorious Property Holdings Ltd.*	30,000	4,752
Brookfield Incorporacoes SA	2,100	8,294	Kingboard Laminates Holding Ltd.	18,000	9,806
Companhia de Saneamento de Minas Gerais-Copasa MG*	600	11,370	KWG Property Holding Ltd.	19,500	8,589
Cia. Hering	1,200	27,239	Trinity Ltd.	18,000	16,528
Diagnosticos da America SA*	2,100	17,158	Yingde Gases	13,500	14,569
Gafisa SA	4,200	15,770	Total Hong Kong		<u>73,917</u>
Light SA	900	14,377			
LLX Logistica SA*	3,300	7,481	<b>Hungary — 0.5%</b>		
Localiza Rent A Car SA	1,200	18,256	Magyar Telekom		
Magnesita Refratarios SA*	2,400	8,827	Telecommunications PLC	5,115	12,032
Marfrig Alimentos SA	1,500	6,562			
Mills Estruturas e Servicos de Engenharia SA	600	6,234	<b>Indonesia — 3.9%</b>		
MMX Mineracao e Metalicos SA*	2,100	9,410	PT Aneka Tambang Tbk	87,000	17,592
OdontoPrev SA	600	9,571	PT Borneo Lumbung Energi & Metal Tbk*	49,500	5,759
Rossi Residencial SA	1,500	9,670	PT Charoen Pokphand Indonesia Tbk	72,000	21,757
Totvs SA	900	15,196	PT Jasa Marga (Persero) Tbk	25,500	11,090
Total Brazil		<u>211,260</u>	PT Kalbe Farma Tbk	42,000	16,487
			PT Lippo Karawaci Tbk	153,000	11,061
			PT Perusahaan Perkebunan London Sumatra Indonesia Tbk	51,000	12,674
			Total Indonesia		<u>96,420</u>
<b>Chile — 2.7%</b>			<b>Malaysia — 5.5%</b>		
Administradora de Fondos de Pensiones Provida SA	2,238	9,292	AirAsia Berhad	17,700	22,500
Compania General de Electricidad SA	2,225	10,536	Berjaya Corp. Berhad	33,300	11,288
Compania Sud Americana de Vapores SA	16,181	4,421	Berjaya Sports Toto Berhad	6,000	8,351
Ripley Corp. SA	9,826	10,406	Bursa Malaysia Bhd	5,700	12,615
Salfacorp SA	3,447	10,683	Dialog Group Berhad	11,700	9,191
Sonda SA	3,558	8,685	Gamuda Berhad	15,900	17,621
Vina Concha Y Toro SA	6,446	12,724	Kulim (Malaysia) Berhad	11,400	13,377
Total Chile		<u>66,747</u>	Lafarge Malayan Cement Berhad	2,700	6,240
			Malaysia Marine and Heavy Engineering Bhd	3,384	6,949
<b>China — 5.7%</b>			SP Setia Berhad	9,000	11,265
Ajisen (China) Holdings Ltd.	6,000	8,654	UEM Land Holdings Bhd*	11,168	8,045
China Lilang Ltd.	9,000	9,620	UMW Holdings Berhad	4,200	9,076
China National Materials Co., Ltd. Class H	18,000	9,272	Total Malaysia		<u>136,518</u>
China Shanshui Cement Group	21,000	16,497			
Dongyue Group	6,000	4,768	<b>Mexico — 3.8%</b>		
Guangshen Railway Co., Ltd. Class H	30,000	10,509	Compartamos SAB de CV	9,300	14,548
Harbin Electric Co., Ltd. Class H	6,000	6,143	Corporacion GEO SAB de CV*	5,100	7,122
Lianhua Supermarket Holdings, Ltd. Class H	3,000	4,868	Desarrolladora Homex SAB de CV*	3,000	7,609
Minth Group Ltd.	6,000	6,313	Empresas ICA SAB de CV*	7,500	10,161
Renhe Commercial Holdings Co., Ltd.	78,000	11,150	Genomma Lab Internacional SAB de CV Class B*	5,400	11,277
Sany Heavy Equipment International Holdings Co., Ltd.	9,000	8,044	Grupo Aeroportuario del Pacifico SAB de CV Class B	5,700	20,102
Shui On Land Ltd.	60,000	18,931	Grupo Aeroportuario del Sureste SAB de CV Class B	1,800	10,481
Springland International Holdings Ltd.	18,000	12,402	Promotora y Operadora de Infraestructura SAB de CV*	3,000	12,257
Wumart Stores, Inc. Class H	6,000	12,193	Total Mexico		<u>93,557</u>
Total China		<u>139,364</u>			
			<b>Philippines — 2.9%</b>		
<b>Egypt — 0.5%</b>			Alliance Global Group, Inc.	44,500	11,064
Egyptian Financial Group-Hermes Holding*	3,110	6,670	BDO Unibank, Inc.	11,060	14,605
Talaat Moustafa Group*	10,830	6,569			
Total Egypt		<u>13,239</u>			

See notes to financial statements.

Schedules of Investments — IQ Emerging Markets Mid Cap ETF (continued)

October 31, 2011 (unaudited)

	Shares	Value		Shares	Value
<b>Common Stocks (continued)</b>			<b>Common Stocks (continued)</b>		
<b>Philippines (continued)</b>			<b>South Korea (continued)</b>		
Energy Development Corp. ....	91,400	\$ 13,077	KP Chemical Corp. ....	420	\$ 6,064
International Container Terminal Services, Inc. ....	10,700	13,941	LG Innotek ....	120	8,056
Jollibee Foods Corp. ....	4,640	9,860	LG International Corp. ....	260	11,672
Universal Robina Corp. ....	8,700	9,591	LG Uplus Corp. ....	2,700	16,275
Total Philippines		<u>72,138</u>	Samsung Fine Chemicals Co., Ltd. ....	180	8,787
<b>Poland — 1.4%</b>			Seoul Semiconductor Co., Ltd. ....	433	9,026
Bank Millennium SA ....	6,015	8,562	SK Networks Co., Ltd. ....	1,080	11,012
Globe Trade Centre SA* ....	1,404	5,120	SKC Co., Ltd. ....	194	7,589
Grupa Lotos SA* ....	628	5,761	STX Offshore & Shipbuilding Co., Ltd. ....	450	6,456
Synthos SA ....	5,733	7,775	STX Pan Ocean Co., Ltd. ....	1,680	11,218
TVN SA ....	1,831	7,456	Woongjin Coway Co., Ltd. ....	570	19,854
Total Poland		<u>34,674</u>	Woori Investment & Securities Co., Ltd. ....	720	8,089
<b>Russia — 0.4%</b>			Total South Korea		<u>337,957</u>
OGK-1 ADR* ....	376,499	9,071	<b>Taiwan — 23.3%</b>		
<b>South Africa — 13.2%</b>			Advantech Co., Ltd. ....	3,000	8,262
Adcock Ingram Holdings Ltd. ....	1,476	11,402	Asia Cement Corp. ....	19,520	23,814
Aveng Ltd. ....	3,390	15,927	Catcher Technology Co., Ltd. ....	6,000	34,093
AVI Ltd. ....	2,593	11,690	China Life Insurance Co., Ltd. ....	20,280	22,877
Barloworld Ltd. ....	1,990	16,784	China Petrochemical Development Corp. ...	17,000	20,001
Clicks Group Ltd.* ....	2,617	13,803	Coretronic Corp. ....	6,000	4,583
Discovery Holdings Ltd. ....	3,886	20,423	E Ink Holdings, Inc. ....	6,000	12,434
Imperial Holdings Ltd. ....	1,581	23,525	Epistar Corp. ....	6,000	11,271
Liberty Holdings Ltd. ....	1,130	11,674	EVA Airways Corp. ....	17,000	12,472
Life Healthcare Group Holdings Ltd. ....	9,778	23,911	Evergreen Marine Corp. ....	16,999	9,432
Mediclinic International, Ltd. ....	3,032	13,343	Everlight Electronics Co., Ltd. ....	3,000	5,615
MMI Holdings Ltd. ....	6,409	13,838	Far Eastern Department Stores, Ltd. ....	9,720	15,075
Mr. Price Group Ltd. ....	2,443	23,636	Formosa Taffeta Co., Ltd. ....	9,000	8,408
Nampak Ltd. ....	5,196	14,345	Giant Manufacturing Co., Ltd. ....	3,000	11,732
Netcare Ltd. ....	11,460	20,173	Highwealth Construction Corp. ....	9,000	15,763
Northam Platinum Ltd. ....	2,368	9,221	Inventec Corp. ....	30,000	10,930
Pick n Pay Stores Ltd. ....	2,401	12,086	KGI Securities Co., Ltd. ....	36,950	15,747
Pretoria Portland Cement Co., Ltd. ....	4,995	15,219	Kinsus Interconnect Technology Corp. ....	3,000	10,529
Reunert Ltd. ....	1,482	11,805	LCY Chemical Corp. ....	6,000	10,268
Sappi Ltd.* ....	4,745	14,001	Lite-On Technology Corp. ....	21,140	20,209
Spar Group Ltd. ....	1,672	20,539	Macronix International Co., Ltd. ....	30,000	11,531
Telkom South Africa Ltd. ....	1,855	7,198	Motech Industries, Inc. ....	3,000	5,736
Total South Africa		<u>324,543</u>	Novatek Microelectronics Corp. ....	6,000	14,941
<b>South Korea — 13.7%</b>			Pegatron Corp. ....	15,000	16,445
Asiana Airlines, Inc.* ....	960	7,025	Pou Chen Corp. ....	27,000	20,937
BS Financial Group, Inc.* ....	1,482	16,650	Powertech Technology, Inc. ....	6,400	15,830
Celltrion, Inc. ....	806	27,419	Ruentex Industries Ltd. ....	3,000	6,137
Cheil Worldwide, Inc. ....	960	15,853	Simplo Technology Co., Ltd. ....	3,200	19,146
Daewoo International Corp. ....	480	14,207	Sino-American Silicon Products, Inc. ....	3,200	5,316
Dongbu Insurance Co., Ltd. ....	360	15,317	Taishin Financial Holding Co., Ltd. ....	54,760	23,611
Dongkuk Steel Mill Co., Ltd. ....	420	9,949	Taiwan Glass Industrial Corp. ....	12,000	14,961
Hanjin Heavy Industries & Construction Co., Ltd.* ....	300	5,441	Tatung Co., Ltd.* ....	21,000	7,475
Hanjin Shipping Co., Ltd. ....	570	5,709	Tripod Technology Corp. ....	3,440	9,083
Hanwha Corp. ....	510	18,224	TSRC Corp. ....	6,400	16,878
Hyosung Corp. ....	225	13,177	U-Ming Marine Transport Corp. ....	9,000	14,289
Hyundai Development Co. ....	600	12,642	Unimicon Technology Corp. ....	12,000	15,843
Hyundai Hysco ....	300	11,843	Walsin Lihwa Corp. ....	30,000	10,228
Hyundai Marine & Fire Insurance Co., Ltd. .	510	14,980	Wan Hai Lines Ltd. ....	16,000	8,423
Hyundai Securities Co., Ltd. ....	1,140	10,009	Wintek Corp. ....	13,598	10,635
Hyundai Wia Corp.* ....	117	15,414	WPG Holdings Ltd. ....	13,440	16,487
			Yang Ming Marine Transport. ....	17,000	7,103
			Yulon Motor Co., Ltd. ....	9,000	19,222
			Total Taiwan		<u>573,772</u>

See notes to financial statements.

Schedules of Investments — IQ Emerging Markets Mid Cap ETF (continued)

October 31, 2011 (unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks (continued)</b>			<b>Short-Term Investment — 3.0%</b>		
<b>Thailand — 3.9%</b>			<b>Money Market Fund — 3.0%</b>		
BEC World PCL .....	13,800	\$ 16,829	Invesco Treasury Portfolio Cash Management, 0.02% <sup>(a)</sup>		
Big C Supercenter PCL .....	3,900	14,015	(Cost \$73,180) .....	73,180	<u>\$ 73,180</u>
Electricity Generating PCL .....	4,500	12,293	<b>Total Investments — 98.6%</b>		
Glow Energy PCL .....	6,900	12,005	(Cost \$2,944,772) .....		<u>\$2,429,900</u>
Thai Union Frozen Products PCL .....	6,600	11,375	<b>Other Assets in Excess of</b>		
TMB Bank PCL .....	253,900	11,312	<b>Liabilities — 1.4%</b> <sup>(b)</sup> .....		<u>35,676</u>
Total Access Communication PCL .....	8,100	19,493	<b>Net Assets — 100.0%</b> .....		<u><u>\$2,465,576</u></u>
Total Thailand		<u>97,322</u>			
<b>Turkey — 2.5%</b>					
Arcelik AS .....	2,731	10,534			
Asya Katilim Bankasi AS* .....	15,217	16,400			
Petkim Petrokimya Holding AS* .....	6,924	9,505			
TAV Havalimanlari Holding AS* .....	1,903	9,240			
Turk Hava Yollari Anonim Ortakligi* .....	5,778	8,391			
Turkiye Sise ve Cam Fabrikalari AS .....	4,336	8,338			
Total Turkey		<u>62,408</u>			
<b>Total Common Stocks — 95.5%</b>					
(Cost \$2,871,592) .....		<u><u>2,354,939</u></u>			
<b>Rights — 0.1%</b>					
<b>South Korea — 0.1%</b>					
Hanjin Shipping Co., Ltd., expiring 11/04/2011* .....	321	1,043			
Woori Investment & Securities Co., Ltd., expiring 11/23/2011* .....	341	738			
Total South Korea		<u>1,781</u>			
(Cost \$0) .....					

\* Non-income producing securities.

(a) Rate shown represents annualized 7-day yield as of October 31, 2011.

(b) Other Assets in Excess of Liabilities includes net unrealized appreciation (depreciation) on swap transactions.

ADR — American Depository Receipt

PCL — Public Company Limited

**Total return swap transactions outstanding at October 31, 2011:**

<u>Total Return Benchmark</u>	<u>Annual Financing Rate Received</u>	<u>Expiration Date</u>	<u>Notional Amount</u>	<u>Unrealized Appreciation (Depreciation)</u>
Essar Oil Ltd. ....	2.04%	7/12/13	\$ 9,980	\$ —
Housing Development & Infrastructure Ltd. ....	2.04%	7/12/13	5,543	—
LIC Housing Finance Ltd. ....	2.04%	7/12/13	11,735	—
Reliance Capital Ltd. ....	2.04%	7/12/13	9,213	—
Satyam Computer Services Ltd. ....	2.04%	7/12/13	9,894	—
Suzlon Energy Ltd. ....	2.04%	7/12/13	8,213	—
Unitech Ltd. ....	2.04%	7/12/13	8,846	—
Yes Bank Ltd. ....	2.04%	7/12/13	15,471	—
				<u>\$ —</u>

Morgan Stanley acts as the counterparty to the total return swap transactions listed above. The Fund either receives fees from, or pay fees to, the counterparty, depending upon the total return of the benchmark, and the agreed-upon financing rate.

See notes to financial statements.

## Statements of Assets and Liabilities

October 31, 2011 (unaudited)

	IQ Hedge Multi-Strategy Tracker ETF	IQ Hedge Macro Tracker ETF	IQ Real Return ETF	IQ Global Resources ETF	IQ Merger Arbitrage ETF
<b>Assets</b>					
Investments, at cost: .....	\$145,968,292	\$31,222,322	\$15,392,877	\$67,437,784	\$18,842,250
Investments, at value .....	\$147,620,726	\$30,989,075	\$15,580,342	\$69,080,220	\$19,182,918
Cash .....	—	—	—	153,924	186,042
Foreign cash* .....	—	—	—	6,126	13,394
Cash deposited at broker for swap collateral .....	5,140,205	—	—	—	—
Cash deposited at broker for futures collateral .....	685,050	148,450	—	652,000	122,000
Receivable for capital shares transactions .....	2,786,053	—	—	—	—
Due from broker .....	986,610	—	—	—	—
Variation margin receivable .....	632,286	127,855	—	596,596	124,891
Receivable for investments sold .....	—	—	—	—	224,655
Dividend, interest and reclaims receivable .....	272	20	—	90,049	377
Total assets .....	<u>157,851,202</u>	<u>31,265,400</u>	<u>15,580,342</u>	<u>70,578,915</u>	<u>19,854,277</u>
<b>Liabilities</b>					
Payable for investments purchased ...	2,364,628	—	—	—	—
Due to broker .....	431,118	—	—	—	—
Advisory fees payable .....	93,922	19,052	6,468	42,692	12,595
Unrealized depreciation on swap transactions .....	32,889	—	—	—	—
Trustee fees payable .....	65	34	12	75	30
Compliance fees payable .....	24	12	5	26	12
Accrued expenses and other liabilities .....	23	22	22	22	22
Total Liabilities .....	<u>2,922,669</u>	<u>19,120</u>	<u>6,507</u>	<u>42,815</u>	<u>12,659</u>
Net Assets .....	<u>\$154,928,533</u>	<u>\$31,246,280</u>	<u>\$15,573,835</u>	<u>\$70,536,100</u>	<u>\$19,841,618</u>
<b>Composition of Net Assets</b>					
Paid-in capital .....	\$161,112,928	\$31,818,348	\$15,238,389	\$74,234,963	\$21,675,330
Undistributed (accumulated) net investment income (loss) .....	1,994,300	180,058	(10,749)	581,797	(26,553)
Undistributed (accumulated) net realized gain (loss) on investments, swap transactions, futures contracts and foreign currency translations .....	(9,232,254)	(361,544)	158,730	(5,345,892)	(2,040,355)
Net unrealized appreciation (depreciation) on investments, swap transactions, futures contracts and foreign currency translations .....	1,053,559	(390,582)	187,465	1,065,232	233,196
Net Assets .....	<u>\$154,928,533</u>	<u>\$31,246,280</u>	<u>\$15,573,835</u>	<u>\$70,536,100</u>	<u>\$19,841,618</u>
<b>NET ASSET VALUE PER SHARE</b>					
Shares Outstanding (no par value, unlimited shares authorized) .....	5,604,000	1,150,000	600,000	2,350,000	800,000
Net Asset Value .....	\$ 27.65	\$ 27.17	\$ 25.96	\$ 30.02	\$ 24.80
*Cost of foreign cash as follows: .....	\$ —	\$ —	\$ —	\$ 6.089	\$ 12.960

See notes to financial statements.

# Statements of Assets and Liabilities (continued)

October 31, 2011 (unaudited)

	IQ Australia Small Cap ETF	IQ Canada Small Cap ETF	IQ South Korea Small Cap ETF	IQ Taiwan Small Cap ETF	IQ Global Agribusiness Small Cap ETF
<b>Assets</b>					
Investments, at cost: .....	\$23,651,450	\$49,717,939	\$10,611,696	\$3,932,895	\$44,944,515
Investments, at value .....	\$20,319,871	\$40,398,131	\$11,786,168	\$3,479,842	\$40,362,162
Cash .....	—	—	—	14,981	6,644
Foreign cash* .....	522,632	86,685	83,818	76,364	554
Dividend, interest and reclaims receivable .....	54,322	18,312	2	3,766	66,729
Total assets .....	<u>20,896,825</u>	<u>40,503,128</u>	<u>11,869,988</u>	<u>3,574,953</u>	<u>40,436,089</u>
<b>Liabilities</b>					
Payable for investments purchased .....	43,573	—	—	—	—
Advisory fees payable .....	11,234	22,120	7,856	2,305	26,388
Due to custodian .....	—	10,146	—	—	—
Trustee fees payable .....	155	577	25	40	96
Compliance fees payable .....	58	224	8	15	55
Accrued expenses and other liabilities .....	22	22	22	22	47
Total Liabilities .....	<u>55,042</u>	<u>33,089</u>	<u>7,911</u>	<u>2,382</u>	<u>26,586</u>
Net Assets .....	<u>\$20,841,783</u>	<u>\$40,470,039</u>	<u>\$11,862,077</u>	<u>\$3,572,571</u>	<u>\$40,409,503</u>
<b>Composition of Net Assets</b>					
Paid-in capital .....	\$23,810,741	\$57,132,056	\$12,688,757	\$4,026,132	\$46,557,582
Undistributed (accumulated) net investment income (loss) .....	833,122	84,241	(37,308)	75,530	270,184
Undistributed (accumulated) net realized loss on investments and foreign currency translations .....	(504,279)	(7,429,454)	(1,964,374)	(77,483)	(1,834,657)
Net unrealized appreciation (depreciation) on investments and foreign currency translations .....	(3,297,801)	(9,316,804)	1,175,002	(451,608)	(4,583,606)
Net Assets .....	<u>\$20,841,783</u>	<u>\$40,470,039</u>	<u>\$11,862,077</u>	<u>\$3,572,571</u>	<u>\$40,409,503</u>
<b>NET ASSET VALUE PER SHARE</b>					
Shares Outstanding (no par value, unlimited shares authorized) .....	800,000	1,450,000	400,000	150,000	1,700,000
Net Asset Value .....	\$ 26.05	\$ 27.91	\$ 29.66	\$ 23.82	\$ 23.77
*Cost of foreign cash as follows: .....	\$ 494,078	\$ 83,939	\$ 83,288	\$ 74,953	\$ 545

See notes to financial statements.

# Statements of Assets and Liabilities (continued)

October 31, 2011 (unaudited)

	IQ Global Oil Small Cap ETF	IQ Hong Kong Small Cap ETF	IQ Japan Mid Cap ETF	IQ US Real Estate Small Cap ETF	IQ Emerging Markets Mid Cap ETF
<b>Assets</b>					
Investments, at cost: .....	\$1,915,859	\$1,890,737	\$1,989,066	\$9,454,744	\$2,944,772
Investments, at value .....	\$1,663,179	\$1,483,401	\$1,938,568	\$8,856,173	\$2,429,900
Foreign cash* .....	6,301	579	—	—	29,520
Receivable for capital shares transactions .....	—	—	—	4,517,105	—
Due from broker .....	—	—	—	—	7,610
Dividend, interest and reclaims receivable .....	334	2,376	13,074	7,507	517
<b>Total assets</b> .....	<u>1,669,814</u>	<u>1,486,356</u>	<u>1,951,642</u>	<u>13,380,785</u>	<u>2,467,547</u>
<b>Liabilities</b>					
Payable for investments purchased ...	—	—	—	4,460,485	—
Due to broker .....	—	—	—	—	116
Advisory fees payable .....	973	778	1,147	2,966	1,846
Trustee fees payable .....	4	1	3	—	—
Compliance fees payable .....	1	1	2	—	—
Accrued expenses and other liabilities .....	26	24	23	14	9
<b>Total Liabilities</b> .....	<u>1,004</u>	<u>804</u>	<u>1,175</u>	<u>4,463,465</u>	<u>1,971</u>
<b>Net Assets</b> .....	<u>\$1,668,810</u>	<u>\$1,485,552</u>	<u>\$1,950,467</u>	<u>\$8,917,320</u>	<u>\$2,465,576</u>
<b>Composition of Net Assets</b>					
Paid-in capital .....	\$1,956,157	\$1,989,295	\$1,956,748	\$9,488,089	\$3,215,780
Undistributed net investment income ..	5,583	19,738	8,610	55,172	22,020
Undistributed net realized gain (loss) on investments, swap transactions, and foreign currency translations ....	(40,367)	(116,150)	35,866	(27,370)	(257,523)
Net unrealized depreciation on investments, swap transactions, and foreign currency translations ....	(252,563)	(407,331)	(50,757)	(598,571)	(514,701)
<b>Net Assets</b> .....	<u>\$1,668,810</u>	<u>\$1,485,552</u>	<u>\$1,950,467</u>	<u>\$8,917,320</u>	<u>\$2,465,576</u>
<b>NET ASSET VALUE PER SHARE</b>					
Shares Outstanding (no par value, unlimited shares authorized) .....	100,000	100,000	100,000	500,000	150,000
Net Asset Value .....	\$ 16.69	\$ 14.86	\$ 19.50	\$ 17.83	\$ 16.44
*Cost of foreign cash as follows: .....	\$ 6,184	\$ 580	\$ —	\$ —	\$ 29,381

See notes to financial statements.

## Statements of Operations

For the Six Months Ended October 31, 2011 (unaudited)

	IQ Hedge Multi-Strategy Tracker ETF	IQ Hedge Macro Tracker ETF	IQ Real Return ETF	IQ Global Resources ETF	IQ Merger Arbitrage ETF
<b>Investment Income</b>					
Dividend income*	\$ 1,787,800	\$ 237,712	\$ 18,052	\$ 663,944	\$ 104,991
Interest income	1,703	92	2	713	358
Total investment income	<u>1,789,503</u>	<u>237,804</u>	<u>18,054</u>	<u>664,657</u>	<u>105,349</u>
<b>Expenses</b>					
Advisory fees	522,544	105,693	32,259	270,870	80,591
Trustee fees	1,765	379	172	994	305
Compliance fees	587	126	58	332	102
Miscellaneous	26	26	26	26	26
Total expenses	<u>524,922</u>	<u>106,224</u>	<u>32,515</u>	<u>272,222</u>	<u>81,024</u>
Net investment income (loss)	<u>1,264,581</u>	<u>131,580</u>	<u>(14,461)</u>	<u>392,435</u>	<u>24,325</u>
<b>Realized and Unrealized Gain (Loss) on Investments, Swap transactions, Futures Contracts and Foreign Currency Translations</b>					
<b>Net realized gain (loss) from:</b>					
Investment securities	(836,686)	(257,942)	(136,670)	(9,697,438)	(1,023,704)
In-kind redemptions	1,544,447	615,753	265,277	2,153,955	40,020
Swap transactions	(752,247)	—	—	—	—
Futures contracts	(160,086)	271,484	—	1,544,994	287,658
Foreign currency translations	—	—	—	(45,399)	(2,773)
Net realized gain (loss)	<u>(204,572)</u>	<u>629,295</u>	<u>128,607</u>	<u>(6,043,888)</u>	<u>(698,799)</u>
<b>Net change in net unrealized appreciation (depreciation) on:</b>					
Investment securities	(1,592,332)	(1,764,171)	60,652	(2,531,736)	(178,845)
Swap transactions	(32,889)	—	—	—	—
Futures contracts	(391,943)	(88,937)	—	253,917	201,105
Foreign currency translations	—	—	—	(165)	(573)
Net change in net unrealized appreciation (depreciation)	<u>(2,017,164)</u>	<u>(1,853,108)</u>	<u>60,652</u>	<u>(2,277,984)</u>	<u>21,687</u>
Net gain (loss) and unrealized appreciation (depreciation)	<u>(2,221,736)</u>	<u>(1,223,813)</u>	<u>189,259</u>	<u>(8,321,872)</u>	<u>(677,112)</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>\$ (957,155)</u>	<u>\$ (1,092,233)</u>	<u>\$ 174,798</u>	<u>\$ (7,929,437)</u>	<u>\$ (652,787)</u>
*Net of foreign taxes withheld of:	\$ —	\$ —	\$ —	\$ 50,172	\$ 5,732

See notes to financial statements.

# Statements of Operations (continued)

For the Six Months Ended October 31, 2011 (unaudited)

	IQ Australia Small Cap ETF	IQ Canada Small Cap ETF	IQ South Korea Small Cap ETF	IQ Taiwan Small Cap ETF	IQ Global Agribusiness Small Cap ETF
<b>Investment Income</b>					
Dividend income*	\$ 466,320	\$ 410,099	\$ 17,069	\$ 128,262	\$ 386,318
Interest income	22	19	14	—	29
Total investment income	<u>466,342</u>	<u>410,118</u>	<u>17,083</u>	<u>128,262</u>	<u>386,347</u>
<b>Expenses</b>					
Advisory fees	102,761	229,756	57,291	16,113	185,863
Trustee fees	570	1,545	216	98	727
Compliance fees	190	515	72	32	243
Miscellaneous	26	26	26	26	25
Total expenses	<u>103,547</u>	<u>231,842</u>	<u>57,605</u>	<u>16,269</u>	<u>186,858</u>
Net investment income (loss)	<u>362,795</u>	<u>178,276</u>	<u>(40,522)</u>	<u>111,993</u>	<u>199,489</u>
<b>Realized and Unrealized Gain (Loss)</b>					
on Investments and Foreign Currency Translations					
<b>Net realized gain (loss) from:</b>					
Investment securities	(1,388,366)	(2,916,718)	(1,946,616)	(202,077)	(1,772,579)
In-kind redemptions	324,186	(1,498,230)	—	—	(44,693)
Foreign currency translations	(36,983)	(52,764)	(30,027)	(392)	(17,385)
Net realized loss	<u>(1,101,163)</u>	<u>(4,467,712)</u>	<u>(1,976,643)</u>	<u>(202,469)</u>	<u>(1,834,657)</u>
<b>Net change in net unrealized appreciation (depreciation) on:</b>					
Investment securities	(6,011,468)	(15,963,289)	(570,133)	(828,525)	(6,024,013)
Foreign currency translations	24,384	2,469	(1,627)	(1,265)	(1,692)
Net change in net unrealized appreciation (depreciation)	<u>(5,987,084)</u>	<u>(15,960,820)</u>	<u>(571,760)</u>	<u>(829,790)</u>	<u>(6,025,705)</u>
Net gain (loss) and unrealized appreciation (depreciation)	<u>(7,088,247)</u>	<u>(20,428,532)</u>	<u>(2,548,403)</u>	<u>(1,032,259)</u>	<u>(7,860,362)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$(6,725,452)</u>	<u>\$(20,250,256)</u>	<u>\$(2,588,925)</u>	<u>\$ (920,266)</u>	<u>\$(7,660,873)</u>
*Net of foreign taxes withheld of:	\$ 6,805	\$ 72,371	\$ 3,829	\$ 38,470	\$ 37,374

See notes to financial statements.

## Statements of Operations (continued)

For the Six Months Ended October 31, 2011 (unaudited)

	IQ Global Oil Small Cap ETF**	IQ Hong Kong Small Cap ETF**	IQ Japan Mid Cap ETF**	IQ US Real Estate Small Cap ETF**	IQ Emerging Markets Mid Cap ETF**
<b>Investment Income</b>					
Dividend income*	\$ 12,140	\$ 25,113	\$ 13,795	\$ 105,810	\$ 29,227
Interest income	—	2	1	—	—
Total investment income	<u>12,140</u>	<u>25,115</u>	<u>13,796</u>	<u>105,810</u>	<u>29,227</u>
<b>Expenses</b>					
Advisory fees	6,496	5,320	5,131	10,200	7,163
Trustee fees	27	25	24	25	20
Compliance fees	9	8	8	9	7
Miscellaneous	25	24	23	21	17
Total expenses	<u>6,557</u>	<u>5,377</u>	<u>5,186</u>	<u>10,255</u>	<u>7,207</u>
Net investment income	<u>5,583</u>	<u>19,738</u>	<u>8,610</u>	<u>95,555</u>	<u>22,020</u>
<b>Realized and Unrealized Gain (Loss) on Investments, Swap transactions, and Foreign Currency Translations</b>					
<b>Net realized gain (loss) from:</b>					
Investment securities	(39,872)	(118,296)	42,760	(60,164)	(145,053)
In-kind redemptions	—	2,198	(6,785)	32,794	(69,617)
Swap transactions	—	—	—	—	(42,173)
Foreign currency translations	(495)	(52)	(109)	—	(680)
Net realized gain (loss)	<u>(40,367)</u>	<u>(116,150)</u>	<u>35,866</u>	<u>(27,370)</u>	<u>(257,523)</u>
<b>Net change in net unrealized appreciation (depreciation) on:</b>					
Investment securities	(252,680)	(407,336)	(50,498)	(598,571)	(514,872)
Foreign currency translations	117	5	(259)	—	171
Net change in net unrealized depreciation	<u>(252,563)</u>	<u>(407,331)</u>	<u>(50,757)</u>	<u>(598,571)</u>	<u>(514,701)</u>
Net gain (loss) and unrealized depreciation	<u>(292,930)</u>	<u>(523,481)</u>	<u>(14,891)</u>	<u>(625,941)</u>	<u>(772,224)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$(287,347)</u>	<u>\$(503,743)</u>	<u>\$(6,281)</u>	<u>\$(530,386)</u>	<u>\$(750,204)</u>
*Net of foreign taxes withheld of:	\$ 872	\$ 567	\$ 1,038	\$ —	\$ 7,400

\*\* Commencement of operations for the IQ Global Oil Small Cap ETF, IQ Hong Kong Small Cap ETF, IQ Japan Mid Cap ETF, IQ US Real Estate Small Cap ETF and IQ Emerging Markets Mid Cap ETF was May 4, 2011, May 17, 2011, June 1, 2011, June 13, 2011 and July 12, 2011, respectively.

See notes to financial statements.

## Statements of Changes in Net Assets

	IQ Hedge Multi-Strategy Tracker ETF		IQ Hedge Macro Tracker ETF		IQ Real Return ETF	
	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011
Increase (Decrease) in Net Assets from Operations						
Net investment income (loss) . . .	\$ 1,264,581	\$ 2,505,702	\$ 131,580	\$ 289,455	\$ (14,461)	\$ (36,642)
Net realized gain (loss) . . . . .	(204,572)	3,268,113	629,295	383,464	128,607	202,114
Net change in net unrealized appreciation (depreciation) . . .	(2,017,164)	(1,235,296)	(1,853,108)	942,888	60,652	135,743
Net increase (decrease) in net assets resulting from operations . . . . .	(957,155)	4,538,519	(1,092,233)	1,615,807	174,798	301,215
Dividends and Distributions to Shareholders from:						
Net investment income . . . . .	—	(1,865,556)	—	(133,209)	—	(1,985)
Capital Share Transactions						
Proceeds from shares created . .	52,449,479	166,884,050	16,545,259	38,032,383	10,309,810	12,661,434
Cost of shares redeemed . . . . .	(27,640,478)	(131,119,714)	(12,508,907)	(21,827,239)	(7,725,830)	(13,889,238)
Net increase (decrease) from capital share transactions . . . .	24,809,001	35,764,336	4,036,352	16,205,144	2,583,980	(1,227,804)
Total increase (decrease) in net assets . . . . .	23,851,846	38,437,299	2,944,119	17,687,742	2,758,778	(928,574)
Net Assets						
Beginning of period . . . . .	131,076,687	92,639,388	28,302,161	10,614,419	12,815,057	13,743,631
End of period . . . . .	<u>\$154,928,533</u>	<u>\$ 131,076,687</u>	<u>\$ 31,246,280</u>	<u>\$ 28,302,161</u>	<u>\$15,573,835</u>	<u>\$ 12,815,057</u>
Including undistributed net investment income (net of accumulated net investment loss) as follows: . . . . .	\$ 1,994,300	\$ 729,719	\$ 180,058	\$ 48,478	\$ (10,749)	\$ 3,712
Changes in Shares Outstanding						
Shares outstanding, beginning of period . . . . .	4,704,000	3,404,000	1,000,000	400,000	500,000	550,000
Shares created . . . . .	1,900,000	6,100,000	600,000	1,400,000	400,000	500,000
Shares redeemed . . . . .	(1,000,000)	(4,800,000)	(450,000)	(800,000)	(300,000)	(550,000)
Shares outstanding, end of period . . . . .	<u>5,604,000</u>	<u>4,704,000</u>	<u>1,150,000</u>	<u>1,000,000</u>	<u>600,000</u>	<u>500,000</u>

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	IQ Global Resources ETF		IQ Merger Arbitrage ETF		IQ Australia Small Cap ETF	
	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011
Increase (Decrease) in Net Assets from Operations						
Net investment income	\$ 392,435	\$ 335,090	\$ 24,325	\$ 10,611	\$ 362,795	\$ 719,662
Net realized gain (loss)	(6,043,888)	5,593,935	(698,799)	(686,091)	(1,101,163)	1,180,666
Net change in net unrealized appreciation (depreciation)	(2,277,984)	2,864,190	21,687	(117,699)	(5,987,084)	2,671,270
Net increase (decrease) in net assets resulting from operations	(7,929,437)	8,793,215	(652,787)	(793,179)	(6,725,452)	4,571,598
Dividends and Distributions to Shareholders from:						
Net investment income	—	(167,873)	—	(10,811)	—	(401,850)
Net realized gains	—	(246,632)	—	(301,245)	—	(36,342)
Total dividends and distributions to shareholders	—	(414,505)	—	(312,056)	—	(438,192)
Capital Share Transactions						
Proceeds from shares created	20,581,328	127,436,513	3,767,990	17,793,474	3,987,046	34,516,704
Cost of shares redeemed	(21,969,390)	(64,210,652)	(6,194,341)	(25,369,787)	(19,742,562)	(4,300,185)
Net increase (decrease) from capital share transactions	(1,388,062)	63,225,861	(2,426,351)	(7,576,313)	(15,755,516)	30,216,519
Total increase (decrease) in net assets	(9,317,499)	71,604,571	(3,079,138)	(8,681,548)	(22,480,968)	34,349,925
Net Assets						
Beginning of period	79,853,599	8,249,028	22,920,756	31,602,304	43,322,751	8,972,826
End of period	\$ 70,536,100	\$ 79,853,599	\$ 19,841,618	\$ 22,920,756	\$ 20,841,783	\$ 43,322,751
Including undistributed net investment income (net of accumulated net investment loss) as follows:						
	\$ 581,797	\$ 189,362	\$ (26,553)	\$ (50,878)	\$ 833,122	\$ 470,327
Changes in Shares Outstanding						
Shares outstanding, beginning of period	2,400,000	300,000	900,000	1,200,000	1,400,000	350,000
Shares created	700,000	4,250,000	150,000	700,000	150,000	1,200,000
Shares redeemed	(750,000)	(2,150,000)	(250,000)	(1,000,000)	(750,000)	(150,000)
Shares outstanding, end of period	2,350,000	2,400,000	800,000	900,000	800,000	1,400,000

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	IQ Canada Small Cap ETF		IQ South Korea Small Cap ETF		IQ Taiwan Small Cap ETF	
	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011
Increase (Decrease) in Net Assets from Operations						
Net investment income (loss) . . .	\$ 178,276	\$ 182,010	\$ (40,522)	\$ 19,896	\$ 111,993	\$ 38,192
Net realized gain (loss) . . . . .	(4,467,712)	1,496,712	(1,976,643)	39,988	(202,469)	176,866
Net change in net unrealized appreciation (depreciation) . . .	(15,960,820)	6,520,343	(571,760)	1,661,728	(829,790)	378,182
Net increase (decrease) in net assets resulting from operations . . . . .	(20,250,256)	8,199,065	(2,588,925)	1,721,612	(920,266)	593,240
Dividends and Distributions to Shareholders from:						
Net investment income . . . . .	—	(468,240)	—	(4,475)	—	(54,155)
Net realized gains . . . . .	—	—	—	(4,965)	—	—
Total dividends and distributions to shareholders . . . . .	—	(468,240)	—	(9,440)	—	(54,155)
Capital Share Transactions						
Proceeds from shares created . .	6,200,746	126,075,670	5,205,507	11,914,215	317	6,967,160
Cost of shares redeemed . . . . .	(65,972,787)	(22,420,896)	(6,930,965)	—	(11,285)	(3,002,440)
Net increase (decrease) from capital share transactions . . . .	(59,772,041)	103,654,774	(1,725,458)	11,914,215	(10,968)	3,964,720
Total increase (decrease) in net assets . . . . .	(80,022,297)	111,385,599	(4,314,383)	13,626,387	(931,234)	4,503,805
Net Assets						
Beginning of period . . . . .	120,492,336	9,106,737	16,176,460	2,550,073	4,503,805	—
End of period . . . . .	\$ 40,470,039	\$120,492,336	\$11,862,077	\$16,176,460	\$3,572,571	\$ 4,503,805
Including undistributed net investment income (net of accumulated net investment loss) as follows: . . . .	\$ 84,241	\$ (94,035)	\$ (37,308)	\$ 3,214	\$ 75,530	\$ (36,463)
Changes in Shares Outstanding						
Shares outstanding, beginning of period . . . . .	3,400,000	350,000	500,000	100,000	150,000	—
Shares created . . . . .	200,000	3,750,000	150,000	400,000	—	250,000
Shares redeemed . . . . .	(2,150,000)	(700,000)	(250,000)	—	—	(100,000)
Shares outstanding, end of period . . . . .	1,450,000	3,400,000	400,000	500,000	150,000	150,000

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	IQ Global Agribusiness Small Cap ETF		IQ Global Oil Small Cap ETF	IQ Hong Kong Small Cap ETF	IQ Japan Mid Cap ETF	IQ US Real Estate Small Cap ETF	IQ Emerging Markets Mid Cap ETF
	For the Six Months Ended October 31, 2011 (unaudited)	For the Period March 21, 2011* to April 30, 2011	For the Period May 4, 2011* to October 31, 2011 (unaudited)	For the Period May 17, 2011* to October 31, 2011 (unaudited)	For the Period June 1, 2011* to October 31, 2011 (unaudited)	For the Period June 13, 2011* to October 31, 2011 (unaudited)	For the Period July 12, 2011* to October 31, 2011 (unaudited)
Increase (Decrease) in Net Assets from Operations							
Net investment income . . . . .	\$ 199,489	\$ 72,410	\$ 5,583	\$ 19,738	\$ 8,610	\$ 95,555	\$ 22,020
Net realized gain (loss) . . . . .	(1,834,657)	(1,715)	(40,367)	(116,150)	35,866	(27,370)	(257,523)
Net change in net unrealized appreciation (depreciation) . . . . .	(6,025,705)	1,442,099	(252,563)	(407,331)	(50,757)	(598,571)	(514,701)
Net increase (decrease) in net assets resulting from operations . . .	(7,660,873)	1,512,794	(287,347)	(503,743)	(6,281)	(530,386)	(750,204)
Dividends and Distributions to Shareholders from:							
Net investment income . . . . .	—	—	—	—	—	(40,383)	—
Capital Share Transactions							
Proceeds from shares created . . . . .	7,800,392	53,326,443	1,956,157	2,895,384	3,002,399	11,318,975	4,012,055
Cost of shares redeemed . . . . .	(14,569,253)	—	—	(906,089)	(1,045,651)	(1,830,886)	(796,275)
Net increase (decrease) from capital share transactions . . . . .	(6,768,861)	53,326,443	1,956,157	1,989,295	1,956,748	9,488,089	3,215,780
Total increase (decrease) in net assets . . . . .	(14,429,734)	54,839,237	1,668,810	1,485,552	1,950,467	8,917,320	2,465,576
Net Assets							
Beginning of period . . . . .	54,839,237	—	—	—	—	—	—
End of period . . . . .	\$ 40,409,503	\$ 54,839,237	\$ 1,668,810	\$ 1,485,552	\$ 1,950,467	\$ 8,917,320	\$ 2,465,576
Including undistributed net investment income (net of accumulated net investment loss) as follows: . . . . .	\$ 270,184	\$ 70,695	\$ 5,583	\$ 19,738	\$ 8,610	\$ 55,172	\$ 22,020
Changes in Shares Outstanding							
Shares outstanding, beginning of period . . . . .	2,000,000	—	—	—	—	—	—
Shares created . . . . .	300,000	2,000,000	100,000	150,000	150,000	600,000	200,000
Shares redeemed . . . . .	(600,000)	—	—	(50,000)	(50,000)	(100,000)	(50,000)
Shares outstanding, end of period . . . . .	1,700,000	2,000,000	100,000	100,000	100,000	500,000	150,000

\* Commencement of operations.

See notes to financial statements.

## Financial Highlights

### Selected Data for a Share of Capital Stock Outstanding

	IQ Hedge Multi-Strategy Tracker ETF				IQ Hedge Macro Tracker ETF		
	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Year Ended April 30, 2010	For the Period March 24, 2009 <sup>1</sup> to April 30, 2009	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Period June 8, 2009 <sup>1</sup> to April 30, 2010
Net asset value, beginning of period . . .	\$ 27.86	\$ 27.21	\$ 25.41	\$ 25.00	\$ 28.30	\$ 26.54	\$ 25.00
<b>Income from Investment Operations</b>							
Net investment income (loss) <sup>2</sup> . . . . .	0.25	0.61	0.52	0.02	0.13	0.38	0.26
Net realized and unrealized gain (loss) on investments . . . . .	(0.46)	0.45	1.51	0.39	(1.26)	1.53	1.53
Distributions of net realized gains by other investment companies . . . . .	—	0.00 <sup>3</sup>	—	—	—	0.00 <sup>3</sup>	—
Net increase (decrease) in net assets resulting from investment operations . .	(0.21)	1.06	2.03	0.41	(1.13)	1.91	1.79
<b>Distributions from:</b>							
Net investment income . . . . .	—	(0.41)	(0.23)	—	—	(0.15)	(0.25)
Net asset value, end of period . . . . .	\$ 27.65	\$ 27.86	\$ 27.21	\$ 25.41	\$ 27.17	\$ 28.30	\$ 26.54
<b>Total Return</b>							
Total investment return based on net asset value <sup>5</sup> . . . . .	(0.75)%	3.95%	8.00%	1.64%	(3.99)%	7.21%	7.16%
<b>Ratios/Supplemental Data</b>							
Net assets, end of period (000's omitted) . . . . .	\$154,929	\$131,077	\$92,639	\$11,536	\$31,246	\$28,302	\$10,614
Ratio to average net assets of:							
Expenses . . . . .	0.75% <sup>7</sup>	0.77%	0.77%	0.13% <sup>6</sup>	0.75% <sup>7</sup>	0.77%	0.76% <sup>7</sup>
Net investment income (loss) . . . . .	1.82% <sup>7</sup>	2.23%	1.93%	0.08% <sup>6</sup>	0.93% <sup>7</sup>	1.41%	1.1% <sup>7</sup>
Portfolio turnover rate <sup>8</sup> . . . . .	47%	145%	169%	0% <sup>9</sup>	21%	54%	77%

See footnotes on page 49.

See notes to financial statements.

## Financial Highlights (continued)

### Selected Data for a Share of Capital Stock Outstanding

	IQ Real Return ETF			IQ Global Resources ETF		
	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Period October 26, 2009 <sup>1</sup> to April 30, 2010	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Period October 26, 2009 <sup>1</sup> to April 30, 2010
Net asset value, beginning of period	\$ 25.63	\$ 24.99	\$ 25.00	\$ 33.27	\$ 27.50	\$25.00
<b>Income from Investment Operations</b>						
Net investment income (loss) <sup>2</sup>	(0.03)	(0.08)	(0.02)	0.16	0.29	0.12
Net realized and unrealized gain (loss) on investments	0.36	0.72	0.01	(3.41)	5.78	2.42
Net increase (decrease) in net assets resulting from investment operations	0.33	0.64	(0.01)	(3.25)	6.07	2.54
<b>Distributions from:</b>						
Net investment income	—	(0.00) <sup>4</sup>	—	—	(0.12)	(0.04)
Net realized gains	—	—	—	—	(0.18)	—
Total distributions from net investment income and realized gains	—	(0.00) <sup>4</sup>	—	—	(0.30)	(0.04)
Net asset value, end of period	\$ 25.96	\$ 25.63	\$ 24.99	\$ 30.02	\$ 33.27	\$27.50
<b>Total Return</b>						
Total investment return based on net asset value <sup>5</sup>	1.29%	2.58%	(0.04)%	(9.77)%	22.17%	10.18%
<b>Ratios/Supplemental Data</b>						
Net assets, end of period (000's omitted)	\$15,574	\$12,815	\$13,744	\$70,536	\$79,854	\$8,249
Ratio to average net assets of:						
Expenses	0.48% <sup>7</sup>	0.49%	0.50% <sup>7</sup>	0.75% <sup>7</sup>	0.76%	0.79% <sup>7</sup>
Net investment income (loss)	(0.22)% <sup>7</sup>	(0.32)%	(0.14)% <sup>7</sup>	1.09% <sup>7</sup>	0.94%	0.93% <sup>7</sup>
Portfolio turnover rate <sup>8</sup>	25%	52%	44%	67%	117%	158%

See footnotes on page 49.

See notes to financial statements.

## Financial Highlights (continued)

### Selected Data for a Share of Capital Stock Outstanding

	IQ Merger Arbitrage ETF			IQ Australia Small Cap ETF		
	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Period November 16, 2009 <sup>1</sup> to April 30, 2010	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Period March 22, 2010 <sup>1</sup> to April 30, 2010
Net asset value, beginning of period	\$ 25.47	\$ 26.34	\$ 25.00	\$ 30.94	\$ 25.64	\$25.00
Income from Investment Operations						
Net investment income <sup>2</sup>	0.03	0.01	0.03	0.33	1.03	0.03
Net realized and unrealized gain (loss) on investments	(0.70)	(0.55)	1.31	(5.22)	4.76	0.61
Net increase (decrease) in net assets resulting from investment operations	(0.67)	(0.54)	1.34	(4.89)	5.79	0.64
Distributions from:						
Net investment income	—	(0.01)	(0.00) <sup>4</sup>	—	(0.45)	—
Net realized gains	—	(0.32)	—	—	(0.04)	—
Total distributions from net investment income and realized gains	—	(0.33)	(0.00) <sup>4</sup>	—	(0.49)	—
Net asset value, end of period	\$ 24.80	\$ 25.47	\$ 26.34	\$ 26.05	\$ 30.94	\$25.64
Total Return						
Total investment return based on net asset value <sup>5</sup>	(2.63)%	(2.03)%	5.37%	(15.80)%	22.71%	2.56%
Ratios/Supplemental Data						
Net assets, end of period (000's omitted)	\$19,842	\$22,921	\$31,602	\$20,842	\$43,323	\$8,973
Ratio to average net assets of:						
Expenses	0.75% <sup>7</sup>	0.76%	0.77% <sup>7</sup>	0.70% <sup>7</sup>	0.69%	0.71% <sup>7</sup>
Net investment income	0.23% <sup>7</sup>	0.04%	0.22% <sup>7</sup>	2.44% <sup>7</sup>	3.72%	1.09% <sup>7</sup>
Portfolio turnover rate <sup>8</sup>	181%	365%	141%	22%	49%	0% <sup>9</sup>

See footnotes on page 49.

See notes to financial statements.

## Financial Highlights (continued)

### Selected Data for a Share of Capital Stock Outstanding

	IQ Canada Small Cap ETF			IQ South Korea Small Cap ETF			IQ Taiwan Small Cap ETF	
	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Period March 22, 2010 <sup>1</sup> to April 30, 2010	For the Six Months Ended October 31, 2011 (unaudited)	For the Year Ended April 30, 2011	For the Period April 13, 2010 <sup>1</sup> to April 30, 2010	For the Six Months Ended October 31, 2011 (unaudited)	For the Period May 18, 2010 <sup>1</sup> to April 30, 2011
Net asset value, beginning of period	\$ 35.44	\$ 26.02	\$25.00	\$ 32.35	\$ 25.50	\$25.00	\$30.03	\$25.00
Income from Investment Operations								
Net investment income (loss) <sup>2</sup>	0.08	0.14	(0.01)	(0.08)	0.09	(0.01)	0.75	0.29
Net realized and unrealized gain (loss) on investments	(7.61)	9.75	1.03	(2.61)	6.80	0.51	(6.96)	5.28
Net increase (decrease) in net assets resulting from investment operations	(7.53)	9.89	1.02	(2.69)	6.89	0.50	(6.21)	5.57
Distributions from:								
Net investment income	—	(0.47)	—	—	(0.02)	—	—	(0.54)
Net realized gains	—	—	—	—	(0.02)	—	—	—
Total distributions from net investment income and realized gains	—	(0.47)	—	—	(0.04)	—	—	(0.54)
Net asset value, end of period	\$ 27.91	\$ 35.44	\$26.02	\$ 29.66	\$ 32.35	\$25.50	\$23.82	\$30.03
Total Return								
Total investment return based on net asset value <sup>5</sup>	(21.25)%	38.15%	4.08%	(8.32)%	27.04%	2.00%	(20.68)%	22.28%
Ratios/Supplemental Data								
Net assets, end of period (000's omitted)	\$40,470	\$120,492	\$9,107	\$11,862	\$16,176	\$2,550	\$3,573	\$4,504
Ratio to average net assets of:								
Expenses	0.70% <sup>7</sup>	0.69%	0.71% <sup>7</sup>	0.79% <sup>7</sup>	0.80%	0.79% <sup>7</sup>	0.80% <sup>7</sup>	0.80% <sup>7</sup>
Net investment income (loss)	0.54% <sup>7</sup>	0.44%	(0.20)% <sup>7</sup>	(0.56)% <sup>7</sup>	0.31%	(0.79)% <sup>7</sup>	5.49% <sup>7</sup>	1.07% <sup>7</sup>
Portfolio turnover rate <sup>8</sup>	16%	52%	0%	65%	73%	1%	30%	164%

See footnotes on page 49.

See notes to financial statements.

## Financial Highlights (continued)

### Selected Data for a Share of Capital Stock Outstanding

	IQ Global Agribusiness Small Cap ETF	IQ Global Oil Small Cap ETF	IQ Hong Kong Small Cap ETF	IQ Japan Mid Cap ETF	IQ US Real Estate Small Cap ETF	IQ Emerging Markets Mid Cap ETF	
	For the Six Months Ended October 31, 2011 (unaudited)	For the Period March 21, 2011 <sup>1</sup> to April 30, 2011	For the Period May 4, 2011 <sup>1</sup> to October 31, 2011 (unaudited)	For the Period May 17, 2011 <sup>1</sup> to October 31, 2011 (unaudited)	For the Period June 1, 2011 <sup>1</sup> to October 31, 2011 (unaudited)	For the Period June 13, 2011 <sup>1</sup> to October 31, 2011 (unaudited)	For the Period July 12, 2011 <sup>1</sup> to October 31, 2011 (unaudited)
Net asset value, beginning of period . . .	\$ 27.42	\$ 25.40	\$19.56	\$19.89	\$20.10	\$19.91	\$19.66
Income from Investment Operations							
Net investment income <sup>2</sup> . . . . .	0.10	0.06	0.06	0.20	0.10	0.43	0.12
Net realized and unrealized gain (loss) on investments . . . . .	(3.75)	1.96	(2.93)	(5.23)	(0.70)	(2.31)	(3.34)
Net increase (decrease) in net assets resulting from investment operations . .	(3.65)	2.02	(2.87)	(5.03)	(0.60)	(1.88)	(3.22)
Distributions from:							
Net investment income . . . . .	—	—	—	—	—	(0.20)	—
Net asset value, end of period . . . . .	<u>\$ 23.77</u>	<u>\$ 27.42</u>	<u>\$16.69</u>	<u>\$14.86</u>	<u>\$19.50</u>	<u>\$17.83</u>	<u>\$16.44</u>
Total Return							
Total investment return based on net asset value <sup>5</sup> . . . . .	(13.31)%	7.95%	(14.67)%	(25.29)%	(2.99)%	(9.41)%	(16.38)%
Ratios/Supplemental Data							
Net assets, end of period (000's omitted) . . . . .	\$40,410	\$54,839	\$1,669	\$1,486	\$1,950	\$8,917	\$2,466
Ratio to average net assets of:							
Expenses . . . . .	0.75% <sup>7</sup>	0.75% <sup>7</sup>	0.76% <sup>7</sup>	0.70% <sup>7</sup>	0.70% <sup>7</sup>	0.69% <sup>7</sup>	0.75% <sup>7</sup>
Net investment income . . . . .	0.80% <sup>7</sup>	1.96% <sup>7</sup>	0.65% <sup>7</sup>	2.56% <sup>7</sup>	1.16% <sup>7</sup>	6.46% <sup>7</sup>	2.31% <sup>7</sup>
Portfolio turnover rate <sup>8</sup> . . . . .	19%	0%	7%	29%	25%	6%	18%

1 Commencement of operations.

2 Based on average shares outstanding.

3 Less than \$0.005 per share.

4 Greater than \$(0.005) per share.

5 Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions, if any, at net asset value during the period, and redemption on the last day of the period. Total return calculated for a period less than one year is not annualized.

6 Not annualized.

7 Annualized.

8 Portfolio turnover rate is not annualized and excludes the value of portfolio securities received or delivered as in-kind creations or redemptions in connection with the Fund's capital share transactions.

9 Portfolio turnover rate for the period was greater than 0% yet less than 0.5%.

See notes to financial statements.

## Notes to Financial Statements

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### 1. ORGANIZATION

IndexIQ ETF Trust (the "Trust") was organized as a Delaware statutory trust on July 1, 2008 and is registered with the Securities and Exchange Commission ("SEC") as a non-diversified, open-end, management investment company, as defined by the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust is currently comprised of fifteen active funds (collectively, the "Funds" and each individually, a "Fund"): IQ Hedge Multi-Strategy Tracker ETF, IQ Hedge Macro Tracker ETF, IQ Real Return ETF, IQ Global Resources ETF, IQ Merger Arbitrage ETF, IQ Australia Small Cap ETF, IQ Canada Small Cap ETF, IQ South Korea Small Cap ETF, IQ Taiwan Small Cap ETF, IQ Global Agribusiness Small Cap ETF, IQ Global Oil Small Cap ETF, IQ Hong Kong Small Cap ETF, IQ Japan Mid Cap ETF, IQ US Real Estate Small Cap ETF and IQ Emerging Markets Mid Cap ETF. The Funds are exchange-traded funds ("ETFs"), whose shares are listed on a stock exchange and traded like equity securities at market prices. The IQ Hedge Multi-Strategy Tracker ETF commenced operations on March 24, 2009; IQ Hedge Macro Tracker ETF commenced operations on June 8, 2009; IQ Real Return ETF and IQ Global Resources ETF commenced operations on October 26, 2009; IQ Merger Arbitrage ETF commenced operations on November 16, 2009; IQ Australia Small Cap ETF and IQ Canada Small Cap ETF commenced operations on March 22, 2010; IQ South Korea Small Cap ETF commenced operations on April 13, 2010; IQ Taiwan Small Cap ETF commenced operations on May 18, 2010; IQ Global Agribusiness Small Cap ETF commenced operations on March 21, 2011; IQ Global Oil Small Cap ETF commenced operations on May 4, 2011; IQ Hong Kong Small Cap ETF commenced operations on May 17, 2011; IQ Japan Mid Cap ETF commenced operations on June 1, 2011; IQ US Real Estate Small Cap ETF commenced operations on June 13, 2011 and IQ Emerging Markets Mid Cap ETF commenced operations on July 12, 2011.

The investment objective of the IQ Hedge Multi-Strategy Tracker ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Hedge Multi-Strategy Index, developed by Financial Development Holdco LLC ("IndexIQ"), the parent company of IndexIQ Advisors, LLC (the "Advisor"), the Funds' investment advisor. The objective of the IQ Hedge Multi-Strategy Index is to track the "beta" portion of the returns (i.e., that portion of the returns of hedge funds that are non-idiosyncratic, or unrelated to manager skill) of hedge funds that employ various hedge fund investment styles, which may include but are not limited to global macro, long/short, event-driven, market neutral, emerging markets, fixed-income arbitrage and other strategies commonly used by hedge fund managers.

The investment objective of the IQ Hedge Macro Tracker ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Hedge Macro Index, developed by IndexIQ. The objective of the IQ Hedge Macro Index is to track the "beta" portion of the returns (i.e., that portion of the returns of hedge funds that are non-idiosyncratic, or unrelated to manager skill) of a combination of hedge funds pursuing a macro strategy and hedge funds pursuing an emerging markets strategy.

The investment objective of the IQ Real Return ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Real Return Index, developed by IndexIQ. The objective of the IQ Real Return Index is to provide investors with a hedge against the U.S. inflation rate by providing a "real return" or a return above the rate of inflation, as represented by the Consumer Price Index, a leading government measure of inflation in the U.S. economy.

The investment objective of the IQ Global Resources ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Global Resources Index, developed by IndexIQ. The objective of the IQ Global Resources Index is to use momentum and valuation factors to identify global companies that operate in commodity-specific market segments and whose equity securities trade in developed markets, including the U.S.

The objective of the IQ Merger Arbitrage ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Merger Arbitrage Index, developed by IndexIQ. The objective of the IQ Merger Arbitrage Index is to seek to identify investment opportunities in the acquisition and merger market segment globally.

The objective of the IQ Australia Small Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Australia Small Cap Index, developed by

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IndexIQ. The objective of the IQ Australia Small Cap Index is to track the overall performance of the small capitalization sector of publicly traded companies domiciled and primarily listed on an exchange in Australia.

The objective of the IQ Canada Small Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Canada Small Cap Index, developed by IndexIQ. The objective of the IQ Canada Small Cap Index is to track the overall performance of the small capitalization sector of publicly traded companies domiciled and primarily listed on an exchange in Canada.

The objective of the IQ South Korea Small Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ South Korea Small Cap Index, developed by IndexIQ. The objective of the IQ South Korea Small Cap Index is to track the overall performance of the small capitalization sector of publicly traded companies domiciled and primarily listed on an exchange in South Korea.

The objective of the IQ Taiwan Small Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the performance of the IQ Taiwan Small Cap Index, developed by IndexIQ. The objective of the IQ Taiwan Small Cap Index is to track the overall performance of the small capitalization sector of publicly traded companies domiciled and primarily listed on an exchange in Taiwan.

The objective of the IQ Global Agribusiness Small Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Global Agribusiness Small Cap Index, developed by IndexIQ. The objective of the IQ Global Agribusiness Small Cap Index is to track the overall performance of the global small capitalization sector of publicly traded companies engaged in the agribusiness sector.

The objective of the IQ Global Oil Small Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Global Oil Small Cap Index, developed by IndexIQ. The objective of the IQ Global Oil Small Cap Index is to track the overall performance of the global small cap companies engaged in the oil sector, including in the areas of exploration and production, refining and marketing, and equipment, services and drilling.

The objective of the IQ Hong Kong Small Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Hong Kong Small Cap Index, developed by IndexIQ. The objective of the IQ Hong Kong Small Cap Index is to track the overall performance of small cap Hong Kong companies.

The objective of the IQ Japan Mid Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Japan Mid Cap Index, developed by IndexIQ. The objective of the IQ Japan Mid Cap Index is to track the overall performance of the mid capitalization sector of publicly traded companies domiciled and primarily listed on an exchange in Japan.

The objective of the IQ US Real Estate Small Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ US Real Estate Small Cap Index, developed by IndexIQ. The objective of the IQ US Real Estate Small Cap Index is to track the overall performance of the small capitalization U.S. real estate companies.

The objective of the IQ Emerging Markets Mid Cap ETF is to seek investment results that correspond, before fees and expenses, generally to the price and yield performance of the IQ Emerging Markets Mid Cap Index, developed by IndexIQ. The objective of the IQ Emerging Markets Mid Cap Index is to track the overall performance of the mid capitalization sector of publicly traded companies domiciled and primarily listed on an exchange in the emerging markets.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Use of Estimates

These financial statements are prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

statements and reported amounts of increases and decreases in the net assets from operations during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Funds:

#### Indemnification

In the normal course of business, the Funds may enter into contracts that contain a variety of representations which provide general indemnifications for certain liabilities. Each Fund's maximum exposure under these arrangements is unknown. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

#### Investment Valuation

The Net Asset Value ("NAV") of each Fund is determined as of the close of trading (generally, 4:00 PM Eastern Time) on each day the New York Stock Exchange Arca ("NYSE") is open for trading. NAV per share is calculated by dividing a fund's net assets by the number of fund shares outstanding. Securities and investment funds traded on any recognized national or foreign stock exchange are valued at the last quoted sale price, or if no sale price is available, at the bid price. Securities not listed on a national or foreign stock exchange may be valued on the basis of prices furnished by approved pricing services or at the closing bid price on the over-the-counter market.

If market quotations are not readily available, or if it is determined that a quotation of a security does not represent fair value, then the security is valued at a fair value as determined in good faith using procedures adopted by the Trust's Board of Trustees (the "Board"). Market prices may not represent fair value, for example, if a security is thinly traded or if an event occurs between the market quotation and the time the security is to be valued which is expected to affect the value of the security. The circumstances in which the Board may fair value a security include, among others: the occurrence of events that are significant to a particular issuer, such as mergers, restructurings or defaults; the occurrence of events that are significant to an entire market, such as natural disasters in a particular region or government actions; trading restrictions on securities; thinly traded securities; and market events such as trading halts and early market closings. Short-term securities with 60 days or less remaining to maturity are valued using the amortized cost method, which approximates current market value.

#### Fair Value Measurement

Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurements and Disclosures ("ASC 820") defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and requires disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or liability, when a transaction is not orderly, and how that information must be incorporated into fair value measurement. Under ASC 820, various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels as follows:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Funds' own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Notes to Financial Statements (continued)

October 31, 2011 (unaudited)

Factors considered in determining Level 2 and Level 3 fair value measurements may include, but are not limited to, information obtained by contacting the issuer, analysts, or the appropriate stock exchange (for exchange-traded securities), analysis of the issuer's financial statements or other available documents and, if necessary, available information concerning other securities in similar circumstances.

There were no transfers between Level 1 and 2 securities during the period.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following summarizes inputs used as of October 31, 2011 in valuing the Funds assets and liabilities carried at fair value:

	Level 1	Level 2	Level 3	Total
<b>IQ Hedge Multi-Strategy Tracker ETF</b>				
Investment Companies* .....	\$132,698,587	\$ —	\$ —	\$132,698,587
Other Financial Instruments** .....	(565,986)	(32,889)	—	(598,875)
Short-Term Investment .....	14,922,139	—	—	14,922,139
Total .....	<u>\$147,054,740</u>	<u>\$(32,889)</u>	<u>\$ —</u>	<u>\$147,021,851</u>
<b>IQ Hedge Macro Tracker ETF</b>				
Investment Companies* .....	\$ 29,700,908	\$ —	\$ —	\$ 29,700,908
Other Financial Instruments** .....	(157,335)	—	—	(157,335)
Short-Term Investment .....	1,288,167	—	—	1,288,167
Total .....	<u>\$ 30,831,740</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 30,831,740</u>
<b>IQ Real Return ETF</b>				
Investment Companies* .....	\$ 15,572,314	\$ —	\$ —	\$ 15,572,314
Short-Term Investment .....	8,028	—	—	8,028
Total .....	<u>\$ 15,580,342</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 15,580,342</u>
<b>IQ Global Resources ETF</b>				
Common Stocks† .....	\$ 65,578,572	\$ —	\$ —	\$ 65,578,572
Other Financial Instruments** .....	(578,131)	—	—	(578,131)
Short-Term Investment .....	3,501,648	—	—	3,501,648
Total .....	<u>\$ 68,502,089</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 68,502,089</u>
<b>IQ Merger Arbitrage ETF</b>				
Common Stocks* .....	\$ 16,116,066	\$ —	\$ —	\$ 16,116,066
Other Financial Instruments** .....	(107,900)	—	—	(107,900)
Short-Term Investment .....	3,066,852	—	—	3,066,852
Total .....	<u>\$ 19,075,018</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 19,075,018</u>
<b>IQ Australia Small Cap ETF</b>				
Common Stocks* .....	\$ 20,262,673	\$ 52,005	\$ —	\$ 20,314,678
Short-Term Investment .....	5,193	—	—	5,193
Total .....	<u>\$ 20,267,866</u>	<u>\$ 52,005</u>	<u>\$ —</u>	<u>\$ 20,319,871</u>
<b>IQ Canada Small Cap ETF</b>				
Common Stocks* .....	\$ 40,398,131	\$ —	\$ —	\$ 40,398,131
<b>IQ South Korea Small Cap ETF</b>				
Common Stocks* .....	\$ 11,743,030	\$ —	\$ —	\$ 11,743,030
Right* .....	18,070	—	—	18,070
Short-Term Investment .....	25,068	—	—	25,068
Total .....	<u>\$ 11,786,168</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 11,786,168</u>
<b>IQ Taiwan Small Cap ETF</b>				
Common Stocks* .....	\$ 3,442,868	\$ —	\$ —	\$ 3,442,868
Right* .....	—	97	—	97
Short-Term Investment .....	36,877	—	—	36,877
Total .....	<u>\$ 3,479,745</u>	<u>\$ 97</u>	<u>\$ —</u>	<u>\$ 3,479,842</u>

## Notes to Financial Statements (continued)

October 31, 2011 (unaudited)

	Level 1	Level 2	Level 3	Total
<b>IQ Global Agribusiness Small Cap ETF</b>				
Common Stocks†	\$ 40,079,828	\$ —	\$ —	\$ 40,079,828
Short-Term Investment	282,334	—	—	282,334
Total	<u>\$ 40,362,162</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 40,362,162</u>
<b>IQ Global Oil Small Cap ETF</b>				
Common Stocks†	\$ 1,661,962	\$ —	\$ —	\$ 1,661,962
Warrant†	—	—	—	—
Short-Term Investment	1,217	—	—	1,217
Total	<u>\$ 1,663,179</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,663,179</u>
<b>IQ Hong Kong Small Cap ETF</b>				
Common Stocks*	\$ 1,452,729	\$ —	\$ —	\$ 1,452,729
Short-Term Investment	30,672	—	—	30,672
Total	<u>\$ 1,483,401</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,483,401</u>
<b>IQ Japan Mid Cap ETF</b>				
Common Stocks*	\$ 1,918,355	\$ —	\$ —	\$ 1,918,355
Short-Term Investment	20,213	—	—	20,213
Total	<u>\$ 1,938,568</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,938,568</u>
<b>IQ US Real Estate Small Cap ETF</b>				
Common Stocks*	\$ 8,823,392	\$ —	\$ —	\$ 8,823,392
Short-Term Investment	32,781	—	—	32,781
Total	<u>\$ 8,856,173</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,856,173</u>
<b>IQ Emerging Markets Mid Cap ETF</b>				
Common Stocks†	\$ 2,354,939	\$ —	\$ —	\$ 2,354,939
Rights†	738	1,043	—	1,781
Other Financial Instruments**	—	—	—	—
Short-Term Investment	73,180	—	—	73,180
Total	<u>\$ 2,428,857</u>	<u>\$ 1,043</u>	<u>\$ —</u>	<u>\$ 2,429,900</u>

\* Please refer to the Schedule of Investments to view securities segregated by industry type.

\*\* Derivative instruments, including swap transactions and futures contracts are valued at the net unrealized appreciation (depreciation) on the instrument.

† Please refer to the Schedule of Investments to view securities segregated by country.

## Tax Information, Dividends and Distributions to Shareholders and Uncertain Tax Positions

Each Fund intends to qualify as a regulated investment company by complying with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended ("the Code"), by distributing substantially all of its net investment income and net realized gains to shareholders. Certain Funds also utilize earnings and profits distributed to shareholders on redemptions of shares as part of the dividends' paid deduction. Net investment income and net capital gains are typically distributed to shareholders at least annually. Dividends may be declared and paid more frequently to improve index tracking or to comply with the distribution requirements of the Code. In addition, the Funds may determine to distribute at least annually amounts representing the full dividend yield net of expenses on the underlying investment securities, as if the Fund owned the underlying investment securities for the entire dividend period in which case some portion of each distribution may result in a return of capital. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with Federal income tax regulations which may differ from U.S. GAAP. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the components of net assets based on their Federal Tax basis treatment; temporary differences do not require reclassification. Dividends and distributions, which exceed earnings and profit for tax purposes are reported as a tax return of capital.

Management evaluates tax positions taken or expected to be taken in the course of preparing the Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as an expense in the current year. The Funds have concluded that there is no tax liability resulting from uncertain

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income tax positions taken or expected to be taken. The Funds are required to analyze all open tax years. Open tax years are those years that are open for examination by the relevant income taxing authority. The returns of the Funds for the period from commencement of operations through October 31, 2011 are open for examination.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments, with maturities of three months or less when acquired.

#### Security Transactions

Security transactions are recorded as of the trade date. Realized gains and losses on sales of investment securities are calculated using the identified cost method.

#### Foreign Currency Translation

The books and records of the Funds are maintained in the U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the prevailing exchange rates of such currencies against the U.S. dollar. The market value of investment securities and the other assets and liabilities are translated at the exchange rate as of the valuation date. Purchases and sales of investment securities, income and expenses are translated at the exchange rate prevailing on the respective dates of such transactions.

Although the net assets of the Funds are presented at the foreign exchange rates and market values at the close of the period, the Funds do not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of securities held or sold during the period. Accordingly, such foreign currency gains/(losses) are included in the reported net realized and unrealized gains/(losses) on investment transactions.

Reported realized foreign currency gains or losses arise from the disposition of foreign currency, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on each Fund's books on the transaction date and the U.S. dollar equivalent of the amounts actually received or paid. Unrealized foreign exchange gains and losses arise from changes (due to the changes in the exchange rate) in the value of foreign currency and other assets and liabilities denominated in foreign currencies, which are held at period end.

#### Investment Income and Expenses

Dividend income is recognized on the ex-dividend date. Interest income is accrued daily. The Funds' investment income, expenses and unrealized and realized gains and losses are allocated daily. The Funds distribute substantially all of their net investment income to shareholders in the form of dividends. Distributions of realized capital gains by underlying funds are recorded as realized capital gains on the ex-date.

#### Recent Accounting Pronouncements

The Funds have adopted Accounting Standards Update ("ASU") 2010-06, *Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"). ASU 2010-06 amends fair value disclosure requirements by requiring an entity to: (i) disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers; and (ii) present separately information about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements (i.e. gross presentation). Additionally, ASU 2010-06 clarifies existing disclosure requirements related to the level of disaggregation for each class of assets and liabilities and disclosures about inputs and valuation techniques for fair value measurements classified as either Level 2 or Level 3. The new disclosures were effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures requiring separate presentation of information about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of the new disclosure requirements in ASU 2010-06 did not have, and will not have, any impact on the Funds' net asset value or results from operations.

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In May 2011, the Financial Accounting Standards Board ("FASB") issued ASU No. 2011-04 *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in the U.S. and IFRSs* ("ASU 2011-04"). ASU 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU 2011-04 will require reporting entities to disclose the following information for fair value measurements categorized within Level 3 of the fair value hierarchy: quantitative information about the unobservable inputs used in the fair value measurement, the valuation processes used by the reporting entity and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs. In addition, ASU 2011-04 will require reporting entities to make disclosures about amounts and reasons for transfers in and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. Management is currently evaluating the implications of ASU No. 2011-04 and its impact on the financial statements.

### 3. INVESTMENT MANAGEMENT AND OTHER AGREEMENTS

#### Advisory Agreement

Under the terms of the Investment Advisory Agreement (the "Advisory Agreement") the Funds pay the Advisor an advisory fee, based on of the average daily net assets of each Fund, at the following annual rates:

Fund	Rate
IQ Hedge Multi-Strategy Tracker ETF . . . . .	0.75%
IQ Hedge Macro Tracker ETF . . . . .	0.75%
IQ Real Return ETF . . . . .	0.48%
IQ Global Resources ETF . . . . .	0.75%
IQ Merger Arbitrage ETF . . . . .	0.75%
IQ Australia Small Cap ETF . . . . .	0.69%
IQ Canada Small Cap ETF . . . . .	0.69%
IQ South Korea Small Cap ETF . . . . .	0.79%
IQ Taiwan Small Cap ETF . . . . .	0.79%
IQ Global Agribusiness Small Cap ETF . . . . .	0.75%
IQ Global Oil Small Cap ETF . . . . .	0.75%
IQ Hong Kong Small Cap ETF . . . . .	0.69%
IQ Japan Mid Cap ETF . . . . .	0.69%
IQ US Real Estate Small Cap ETF . . . . .	0.69%
IQ Emerging Markets Mid Cap ETF . . . . .	0.75%

Such fee is accrued daily and paid monthly. Effective as of May 19, 2011, the sub-advisory agreement between the Advisor and Esposito Partners, LLC ("Esposito"), pursuant to which Esposito acted as sub-advisor to the IQ Merger Arbitrage ETF, was terminated and the Advisor assumed day-to-day portfolio management responsibility for the Fund.

The Advisor has agreed to pay all expenses of the Funds, except brokerage and other transaction expenses; extraordinary legal fees or expenses, such as those for litigation or arbitration; compensation and expenses of the Independent Trustees, counsel to the Independent Trustees, and the Funds' chief compliance officer; extraordinary expenses; distribution fees and expenses paid by the Funds under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act; and the advisory fee payable to the Advisor hereunder.

#### Distribution

ALPS Distributors, Inc. serves as the Funds' distributor (the "Distributor") pursuant to a Distribution Services Agreement. The Trust has adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the 1940 Act ("Rule 12b-1 Plan"). In accordance with the Rule 12b-1 Plan, the Funds are authorized to pay an amount up to 0.10% of each Fund's average daily net assets each year for certain distribution-related activities. No Rule 12b-1 fees are currently paid by the Funds and there are no plans to impose these fees. However, in the event Rule 12b-1 fees are charged in the future, they will be paid out of each Fund's assets. The Advisor and its affiliates may, out of their own resources, pay amounts to third parties for distribution or marketing services on behalf of the Funds.

## Notes to Financial Statements (continued)

October 31, 2011 (unaudited)

### Administrator, Custodian and Transfer Agent

The Bank of New York Mellon (in each capacity, the "Administrator," "Custodian" or "Transfer Agent") serves as the Funds' Administrator, Custodian and Transfer Agent pursuant to the Fund Administration and Accounting Agreement. Under the terms of this agreement, the Advisor pays the Funds' Administrative, Custody and Transfer Agency fees. The Bank of New York Mellon is a subsidiary of The Bank of New York Mellon Corporation, a financial holding company.

### 4. ORGANIZATIONAL AND OFFERING COSTS

Expenses incurred in connection with organizing and the offering of the Trust and the Funds were paid by the Advisor. The Funds do not have an obligation to reimburse the Advisor or its affiliates for organizational and offering expenses paid on their behalf.

### 5. CAPITAL SHARE TRANSACTIONS

As of October 31, 2011, there was an unlimited number of no par value shares of beneficial interest authorized by the Trust. Shares are created and redeemed on a continuous basis at NAV only in groups of 50,000 shares called Creation Units. Except when aggregated in Creation Units, shares are not redeemable. Transactions in shares of the Funds are disclosed in detail in the Statement of Changes in Net Assets. Only "Authorized Participants" may purchase or redeem shares directly from the Funds. An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of National Securities Clearing Corporation or (ii) a Depository Trust Company ("DTC") participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors will not qualify as Authorized Participants or have the resources to create and redeem whole Creation Units. Therefore, they will be unable to purchase or redeem the shares directly from the Fund. Rather, most retail investors will purchase shares in the secondary market with the assistance of a broker and will be subject to customary brokerage commissions or fees.

### 6. FEDERAL INCOME TAX

At October 31, 2011, the cost of investments on a tax basis including the adjustments for financial reporting purposes as of the most recently completed Federal income tax reporting period were as follows:

Fund	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation/ (Depreciation)
IQ Hedge Multi-Strategy Tracker ETF	\$146,056,281	\$2,965,249	\$ 1,400,804	\$ 1,564,445
IQ Hedge Macro Tracker ETF	31,298,533	661,142	970,600	(309,458)
IQ Real Return ETF	15,429,774	203,413	52,845	150,568
IQ Global Resources ETF	67,469,306	2,787,387	1,176,473	1,610,914
IQ Merger Arbitrage ETF	18,842,412	439,685	99,179	340,506
IQ Australia Small Cap ETF	24,084,825	702,942	4,467,896	(3,764,954)
IQ Canada Small Cap ETF	50,389,587	1,675,989	11,667,445	(9,991,456)
IQ South Korea Small Cap ETF	10,776,787	2,245,780	1,236,399	1,009,381
IQ Taiwan Small Cap ETF	3,944,862	150,764	615,784	(465,020)
IQ Global Agribusiness Small Cap ETF	44,945,289	1,533,202	6,116,329	(4,583,127)
IQ Global Oil Small Cap ETF	1,915,859	68,297	320,977	(252,680)
IQ Hong Kong Small Cap ETF	1,890,737	41,328	448,664	(407,336)
IQ Japan Mid Cap ETF	1,989,066	66,932	117,430	(50,498)
IQ US Real Estate Small Cap ETF	9,454,744	10,595	609,166	(598,571)
IQ Emerging Markets Mid Cap ETF	2,944,772	14,508	529,380	(514,872)

The differences between book and tax basis cost of investments and net unrealized appreciation (depreciation) are primarily attributable to wash sale loss deferrals, pass through investments and the realization for tax purposes of unrealized gains on investments in passive foreign investment companies held at October 31, 2011.

Notes to Financial Statements (continued)

October 31, 2011 (unaudited)

At April 30, 2011, the components of earnings/loss on a tax-basis were as follows:

Fund	Undistributed Net Investment Income	Undistributed Capital and Other Losses	Net Unrealized Appreciation/ (Depreciation)	Total Earnings/ (Losses)
IQ Hedge Multi-Strategy Tracker ETF	\$ 651,798	\$(9,035,815)	\$3,156,777	\$(5,227,240)
IQ Hedge Macro Tracker ETF	40,017	(974,565)	1,454,713	520,165
IQ Real Return ETF	—	70,732	89,916	160,648
IQ Global Resources ETF	942,904	(856,229)	4,143,899	4,230,574
IQ Merger Arbitrage ETF	—	(1,701,277)	520,352	(1,180,925)
IQ Australia Small Cap ETF	1,489,548	10,932	2,256,014	3,756,494
IQ Canada Small Cap ETF	569,493	(2,953,678)	5,972,423	3,588,238
IQ South Korea Small Cap ETF	180,574	—	1,581,671	1,762,245
IQ Taiwan Small Cap ETF	125,635	(25,145)	366,215	466,705
IQ Global Agribusiness Small Cap ETF	73,345	—	1,439,449	1,512,794

The differences between book and tax basis components of net assets are primarily attributable to wash sale loss deferrals and other book and tax differences including foreign currency contracts, swap contracts and post-October losses.

At April 30, 2011, the effect of permanent book/tax reclassifications resulted in increases(decreases) to the components of net assets as follows:

Fund	Undistributed Net Investment Income/ (Accumulated Net Investment Loss)	Accumulated Net Realized Gain/(Loss) on Investments	Paid-in Capital
IQ Hedge Multi-Strategy Tracker ETF	\$(322,589)	\$(9,603,222)	\$9,925,811
IQ Hedge Macro Tracker ETF	(108,724)	(1,158,607)	1,267,331
IQ Real Return ETF	42,199	(156,493)	114,294
IQ Global Resources ETF	2,606	(4,830,076)	4,827,470
IQ Merger Arbitrage ETF	(47,075)	(573,701)	620,776
IQ Australia Small Cap ETF	143,816	(547,440)	403,624
IQ Canada Small Cap ETF	193,561	(4,458,454)	4,264,893
IQ South Korea Small Cap ETF	22,560	(22,669)	109
IQ Taiwan Small Cap ETF	(20,500)	(51,880)	72,380
IQ Global Agribusiness Small Cap ETF	(1,715)	1,715	—

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Reclassifications are primarily due to the tax treatment of net operating losses, distribution reclassifications and foreign currency reclassifications.

The tax character of distributions paid during the year ended April 30, 2011 is as follows:

Fund	Ordinary Income
IQ Hedge Multi-Strategy Tracker ETF	\$1,865,556
IQ Hedge Macro Tracker ETF	133,209
IQ Real Return ETF	1,985
IQ Global Resources ETF	414,505
IQ Merger Arbitrage ETF	312,056
IQ Australia Small Cap ETF	438,192
IQ Canada Small Cap ETF	468,240
IQ South Korea Small Cap ETF	9,440
IQ Taiwan Small Cap ETF	54,155
IQ Global Agribusiness Small Cap ETF	—

Notes to Financial Statements (continued)

October 31, 2011 (unaudited)

Capital losses incurred after October 31 ("Post-October Losses") within the taxable year can be deemed to arise on the first business day of the Funds' next taxable year. For the year ended April 30, 2011, the Funds incurred and elected to defer to May 1, 2011 post-October losses of:

Fund	Post-October Currency Losses	Post-October Capital Losses
IQ Hedge Multi-Strategy Tracker ETF .....	\$ —	\$2,590,843
IQ Hedge Macro Tracker ETF .....	—	363,339
IQ Real Return ETF .....	—	—
IQ Global Resources ETF .....	18,649	837,580
IQ Merger Arbitrage ETF .....	50,878	679,216
IQ Australia Small Cap ETF .....	43,349	—
IQ Canada Small Cap ETF .....	—	2,792,257
IQ South Korea Small Cap ETF .....	—	—
IQ Taiwan Small Cap ETF .....	25,145	—
IQ Global Agribusiness Small Cap ETF .....	—	—

At April 30, 2011, the Funds listed below had net capital loss carryforwards for Federal income tax purposes which are available for offset against future taxable net capital gains. The amounts were determined after adjustments for certain differences between financial reporting and tax purposes, such as wash sale losses. Accordingly, no capital gain distributions are expected to be paid to shareholders of these Funds until future net capital gains have been realized in excess of the available capital loss carryforwards. There is no assurance that any Fund will be able to utilize all of its capital loss carryforwards before they expire. These loss carryforwards expire in amounts and fiscal years as follows:

Fund	April 30, 2018	April 30, 2019
IQ Hedge Multi-Strategy Tracker ETF .....	\$841,667	\$5,603,304
IQ Hedge Macro Tracker ETF .....	80,017	531,209
IQ Real Return ETF .....	—	—
IQ Global Resources ETF .....	—	—
IQ Merger Arbitrage ETF .....	—	971,183
IQ Australia Small Cap ETF .....	—	—
IQ Canada Small Cap ETF .....	—	161,421
IQ South Korea Small Cap ETF .....	—	—
IQ Taiwan Small Cap ETF .....	—	—
IQ Global Agribusiness Small Cap ETF .....	—	—

7. INVESTMENT TRANSACTIONS

Purchases and sales of investments (excluding short-term investments) for the period ended October 31, 2011 are as follows:

Fund	Purchases	Sales	Purchases In-Kind	Sales In-Kind
IQ Hedge Multi-Strategy Tracker ETF .....	\$68,044,373	\$56,016,530	\$35,471,985	\$26,024,430
IQ Hedge Macro Tracker ETF .....	10,371,307	5,653,749	8,816,100	9,528,188
IQ Real Return ETF .....	5,817,490	3,439,015	7,462,162	7,269,292
IQ Global Resources ETF .....	50,533,595	43,537,965	16,933,829	20,896,223
IQ Merger Arbitrage ETF .....	32,817,492	29,758,602	1,145,880	5,344,484
IQ Australia Small Cap ETF .....	8,090,592	6,547,354	1,420,164	18,260,595
IQ Canada Small Cap ETF .....	14,863,057	11,007,897	1,623,973	64,324,647
IQ South Korea Small Cap ETF .....	9,307,138	10,808,073	—	—
IQ Taiwan Small Cap ETF .....	1,223,318	1,191,462	—	—
IQ Global Agribusiness Small Cap ETF .....	13,156,259	9,149,753	2,664,755	13,234,536
IQ Global Oil Small Cap ETF .....	98,863	100,506	1,956,157	—
IQ Hong Kong Small Cap ETF .....	439,453	420,731	1,984,275	26,834
IQ Japan Mid Cap ETF .....	371,036	396,832	2,996,951	1,038,277
IQ US Real Estate Small Cap ETF .....	1,348,111	240,157	9,321,206	979,827
IQ Emerging Markets Mid Cap ETF .....	2,252,657	439,657	1,596,249	322,987

October 31, 2011 (unaudited)

## 8. DERIVATIVE FINANCIAL INSTRUMENTS

## Futures Contracts

Certain Funds may invest in futures contracts ("futures") in order to replicate exposures to their respective underlying index components. Investments in futures may increase or leverage exposure to a particular market risk, thereby increasing price volatility of derivative instruments a Fund holds. No price is paid or received by a Fund upon the purchase of a futures contract. Initially, a Fund will be required to deposit with the broker an amount of cash or cash equivalents, known as initial margin, based on the value of the contract. Subsequent payments, called variation margin, to and from the broker, will be made on a daily basis as the price of the underlying instruments fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as 'marking-to-the-market.' Once a final determination of variation margin is made, additional cash is required to be paid by or released to a Fund, and a Fund will realize a loss or gain. During the period, the IQ Merger Arbitrage ETF and IQ Global Resources ETF utilized futures contracts to effect short exposure to U.S. and international equity returns, while the IQ Hedge Multi-Strategy ETF and IQ Hedge Macro Tracker ETF utilized futures to effect short exposure to U.S. small cap equity and international equity returns.

## Swap Transactions

Certain Funds use total return swaps to achieve the same exposures as their underlying index components. Total return swaps give the Funds the right to receive the appreciation in the value of a specified security, index or other instrument in return for a fee paid to the counterparty, which will typically be an agreed upon interest rate. Total return swaps can also be used to replicate an exposure to a short position in an asset class where the Fund has the right to receive the depreciation in value of a specified security, index or other instrument. If the underlying asset in a total return swap declines over the term of the swap, a Fund may also be required to pay the dollar value of that to the counterparty. The Funds segregate or receive liquid assets, which may include securities, cash or cash equivalents, to cover the daily marked-to-market net obligations under outstanding swap agreements. During the period, the IQ Hedge Multi-Strategy Tracker ETF and IQ Emerging Markets Mid Cap ETF utilized swaps to effect short exposure to the real estate asset class and the IQ Hedge Multi-Strategy Tracker ETF utilized swaps to effect long exposure to the convertible bond asset class, which was consistent with the exposure of both Funds' underlying indexes. At October 31, 2011, the IQ Hedge Multi-Strategy Tracker ETF posted in cash as collateral for swaps \$5,140,205.

Pursuant to documentation governing the Funds' swap transactions with Morgan Stanley Capital Services Inc. ("Morgan Stanley"), Morgan Stanley has the right to terminate the swaps early in the event that the net assets of the given Fund decline below specific levels set forth in the documentation ("net asset contingent features"). In the event of early termination, Morgan Stanley may require the Funds to pay or receive a settlement amount in connection with the terminated swap transaction. As of October 31, 2011, the Funds have not triggered the conditions under such documentation that will give the counterparty the right to call for an early termination. As of such date, the settlement values of these contracts were approximately equal to the fair value of such contracts.

At October 31, 2011, the fair values of derivative instruments reflected on the Statements of Assets and Liabilities were as follows:

## Liability Derivatives

	<u>Equity Risk</u>	<u>Total</u>
IQ Hedge Multi-Strategy Tracker ETF		
Unrealized depreciation on futures contracts <sup>1</sup> .....	\$565,986	\$565,986
Unrealized depreciation on swap transactions .....	32,889	32,889
IQ Hedge Macro Tracker ETF		
Unrealized depreciation on futures contracts <sup>1</sup> .....	157,335	157,335
IQ Global Resources ETF		
Unrealized depreciation on futures contracts <sup>1</sup> .....	578,131	578,131
IQ Merger Arbitrage ETF		
Unrealized depreciation on futures contracts <sup>1</sup> .....	107,900	107,900

<sup>1</sup> Includes cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only unsettled variation margin is reported within the Statements of Assets and Liabilities.

Notes to Financial Statements (continued)

October 31, 2011 (unaudited)

Transactions in derivative instruments reflected on the Statement of Operations during the period ended October 31, 2011, were as follows:

	<u>Equity Risk</u>	<u>Total</u>
IQ Hedge Multi-Strategy Tracker ETF		
Realized loss		
Futures contracts .....	\$ (160,086)	\$ (160,086)
Swap transactions .....	(752,247)	(752,247)
Total realized loss .....	<u>\$ (912,333)</u>	<u>\$ (912,333)</u>
Unrealized depreciation		
Futures contracts .....	\$ (391,943)	\$ (391,943)
Swap transactions .....	(32,889)	(32,889)
Total unrealized depreciation .....	<u>\$ (424,832)</u>	<u>\$ (424,832)</u>
IQ Hedge Macro Tracker ETF		
Realized gain		
Futures contracts .....	\$ 271,484	\$ 271,484
Unrealized depreciation		
Futures contracts .....	\$ (88,937)	\$ (88,937)
IQ Global Resources ETF		
Realized gain		
Futures contracts .....	\$1,544,994	\$1,544,994
Unrealized appreciation		
Futures contracts .....	\$ 253,917	\$ 253,917
IQ Merger Arbitrage ETF		
Realized gain		
Futures contracts .....	\$ 287,658	\$ 287,658
Unrealized appreciation		
Futures contracts .....	\$ 201,105	\$ 201,105
IQ Emerging Markets Mid Cap ETF		
Realized loss		
Swap transactions .....	\$ (42,173)	\$ (42,173)

For the period ended October 31, 2011, the monthly average notional values of the derivatives held by the Funds were as follows:

<u>Fund</u>	<u>Number of Futures Contracts</u>	<u>Market Value of Futures Contracts</u>
IQ Hedge Multi-Strategy ETF .....	(74)	\$ (5,479,254)
IQ Hedge Macro Tracker ETF .....	(25)	(2,051,531)
IQ Global Resources ETF .....	(201)	(14,277,906)
IQ Merger Arbitrage ETF .....	(51)	(3,691,981)
<u>Fund</u>		<u>Swap Contracts</u>
IQ Hedge Multi-Strategy ETF .....		\$ 43,918
IQ Emerging Markets Mid Cap ETF .....		110,683

9. RISKS INVOLVED WITH INVESTING IN THE FUNDS

The Funds are subject to the principal risks described below, some or all of these risks may adversely affect a Fund's NAV, trading price, yield, total return and ability to meet its investment objective. As with any investment, an investment in a Fund could result in a loss or the performance of the Fund could be inferior to that of other investments.

October 31, 2011 (unaudited)

#### Fund of Funds Risk\*

Certain of the Funds' investment performance, because they are funds of funds, depends on the investment performance of the Underlying ETFs in which they invest. An investment in any such Fund is subject to the risks associated with the Underlying ETFs that comprise its Underlying Index. Such a Fund will indirectly pay a proportional share of the asset-based fees, if any, of the Underlying ETFs in which it invests.

#### Exchange Traded Vehicle Risk\*

Unlike an investment in a mutual fund, the value of the Fund's investment in ETFs, ETVs and ETNs is based on stock market prices and the Fund could lose money due to stock market developments, the failure of an active trading market to develop or exchange trading halts or de-listings. Federal law prohibits the Fund from acquiring investment company shares, including shares of ETFs, in excess of specific thresholds unless exempted by rule, regulation or exemptive order. These prohibitions may prevent the Fund from allocating its investments to ETFs in an optimal manner.

#### Index Risk

The Underlying Indexes are new and have limited historical performance data that is not predictive of future results. In addition, the Underlying Indexes and the Funds rebalance only on a monthly or quarterly basis, which may cause the performance of the Underlying Indexes and the Funds to deviate from that of the market exposure that they are trying to achieve.

#### Tracking Error Risk

Each Fund's performance may not match its Underlying Index during any period of time. Although each Fund attempts to track the performance of its Underlying Index, a Fund may not be able to duplicate its exact composition or return for any number of reasons, including but not limited to risk that the strategies used by the Advisor to match the performance of the Underlying Index may fail to produce the intended results, liquidity risk and new fund risk, as well as the incurring of Fund expenses, which the Underlying Index does not incur.

#### Foreign Securities Risk

Certain of the Funds invest directly or indirectly (through Underlying ETFs) in the securities of non-U.S. issuers, which involves risks beyond those associated with investments in U.S. securities. These additional risks include greater market volatility, the availability of less reliable financial information, higher transactional and custody costs, taxation by foreign governments, decreased market liquidity and political instability.

#### Small Capitalization Companies Risk\*\*

Certain of the Funds invest primarily in the stocks of small capitalization companies, which may be more volatile than those of larger companies. Stock prices of small capitalization companies are also more vulnerable than those of large capitalization companies to adverse business and economic developments, and the stocks of small capitalization companies may be thinly traded, making it difficult to buy and sell them.

#### New Fund Risk\*\*\*

Certain of the Funds are new funds. As new funds, there can be no assurance that the Funds will grow to or maintain an economically viable size, in which case the Funds may experience greater tracking error to their Underlying Indexes than they otherwise would be at higher asset levels or they could ultimately liquidate.

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\* Applies to IQ Hedge Multi-Strategy Tracker ETF, IQ Hedge Macro Tracker ETF and IQ Real Return ETF.

\*\* Applies to IQ Australia Small Cap ETF, IQ Canada Small Cap ETF, IQ South Korea Small Cap ETF, IQ Taiwan Small Cap ETF, IQ Global Agribusiness Small Cap ETF, IQ Global Oil Small Cap ETF, IQ Hong Kong Small Cap ETF and IQ US Real Estate Small Cap ETF.

\*\*\* Applies to IQ Global Agribusiness Small Cap ETF, IQ Global Oil Small Cap ETF, IQ Hong Kong Small Cap ETF, IQ Japan Mid Cap ETF, IQ US Real Estate Small Cap ETF and IQ Emerging Markets Mid Cap ETF.

October 31, 2011 (unaudited)

#### 10. SUBSEQUENT EVENTS

On December 15, 2011, the Board of Trustees of the Trust authorized an orderly liquidation of IQ Hong Kong Small Cap ETF, IQ Taiwan Small Cap ETF and IQ Japan Mid Cap ETF (the "Liquidating Funds"). The Trust's Board of Trustees determined that closing the Liquidating Funds was in the best interests of the Liquidating Funds and their shareholders. The Liquidating Funds were closed to new investors and discontinued trading on the NYSE Arca, Inc. effective at the market close on December 23, 2011. Shareholders of record remaining on December 29, 2011 will receive cash at the net asset value of their shares as of that date, which will include any capital gains and dividends as of such date.

In accordance with the provision set forth in FASB ASC 855-10, *Subsequent Events*, Management has evaluated events and transactions for potential recognition or disclosure through the date this report was issued. Management has determined that, except as set forth above, there are no material events that would require disclosure through this date.

## Board of Trustees and Officers (unaudited)

The business of the Trust is managed under the direction of the Trust's Board of Trustees. The Board elects the officers of the Trust who are responsible for administering the Trust's day-to-day operations. Each Trustee serves until his or her successor is duly elected or appointed and qualified.

The name, year of birth, address and principal occupations during the past five years for each Trustee and Officer of the Trust is set forth below, along with the other public directorships held by the Trustees.

### Independent Trustees

Name and Year of Birth <sup>1</sup>	Position(s) Held with Trust	Term of Office and Length of Time Served <sup>2</sup>	Principal Occupation(s) During Past 5 Years <sup>3</sup>	Number of Portfolios in Fund Complex Overseen by Trustee <sup>4</sup>	Other Directorships Held by Trustee
Reena Aggarwal 1957	Trustee	Since August 2008	Deputy Dean, McDonough School of Business, Georgetown University (2006 to 2008); Visiting Professor of Finance, Sloan School of Management, MIT (2005 to 2006); Interim Dean, McDonough School of Business, Georgetown University (2004 to 2005); Stallkamp Faculty Fellow and Professor of Finance, McDonough School of Business, Georgetown University (2003 to present).	24	FBR Funds (2006-2011)
Gene Chao 1970	Trustee	Since August 2008	Vice President, Global Industries Strategy & Solutions, Juniper Networks (2011 to present); Vice President and GM, Global Network, Hewlett-Packard (2010 to 2011); Vice President, Strategic Services, Dimension Data, Americas (2007 to 2010); Senior Vice President, Strategic Outsourcing, France Telecom Americas (2004 to 2007).	24	None

### Interested Trustee<sup>5</sup>

Adam S. Patti 1970	Chairman and Trustee President and Principal Executive Officer	Since November 2008 Since July 2008	Chairman, Trustee, President and Principal Executive, IndexIQ Trust (2008 to present); Chief Executive Officer, the Advisor (2007 to present); Chief Executive Officer, IndexIQ (2006 to present); Associate Publisher, Time Inc. (2006).	24	None
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### Officers of the Trust

Name and Year of Birth <sup>1</sup>	Position(s) Held with Trust	Term of Office and Length of Time Served <sup>2</sup>	Principal Occupation(s) During Past 5 Years
Gregory D. Bassuk 1972	Secretary	Since July 2008	Chief Compliance Officer, the Advisor (2008 to present); Secretary, IndexIQ Trust (2008 to present); Chairman and Trustee, IndexIQ ETF Trust (July 2008 to November 2008); Chairman and Trustee, IndexIQ Trust (February 2008 to November 2008); Chief Operating Officer, the Advisor (2007 to present); Chief Operating Officer, IndexIQ (2006 to present); Director, Time Inc. (2004 to 2006).
David Fogel 1971	Treasurer, Principal Financial Officer and Chief Compliance Officer Executive Vice President	Since October 2008 Since June 2011	Executive Vice President, IndexIQ Trust (2011 to present); Treasurer, Principal Financial Officer and Chief Compliance Officer, IndexIQ Trust (2008 to present); Executive Vice President, IndexIQ (2006 to present); Vice President, Groton Partners LLC (2005 to 2006).

<sup>1</sup> The address of each Trustee or Officer is c/o IndexIQ, 800 Westchester Avenue, Suite N-611, Rye Brook, New York 10573.

<sup>2</sup> Trustees and Officers serve until their successors are duly elected and qualified.

<sup>3</sup> Principal occupations(s) of the Trustees may cover more than the past five years.

<sup>4</sup> The Funds are part of a "fund complex" as defined in the 1940 Act. The fund complex includes all open-end funds (including all of their portfolios) advised by the Advisor and any funds that have an investment advisor that is an affiliated person of the Advisor.

<sup>5</sup> Mr. Patti is an "interested person" of the Trust (as that term is defined in the 1940 Act) because of his affiliations with the Advisor.

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# IndexIQ ETF Trust



IQ Hedge Multi-Strategy Tracker ETF  
IQ Hedge Macro Tracker ETF  
IQ Real Return ETF  
IQ Global Resources ETF  
IQ Merger Arbitrage ETF  
IQ Australia Small Cap ETF  
IQ Canada Small Cap ETF  
IQ South Korea Small Cap ETF  
IQ Taiwan Small Cap ETF  
IQ Global Agribusiness Small Cap ETF  
IQ Global Oil Small Cap ETF  
IQ Hong Kong Small Cap ETF  
IQ Japan Mid Cap ETF  
IQ US Real Estate Small Cap ETF  
IQ Emerging Markets Mid Cap ETF

Investment Advisor  
IndexIQ Advisors LLC  
800 Westchester Avenue,  
Suite N-611  
Rye Brook, NY 10573

Distributor  
ALPS Distributors, Inc.  
1290 Broadway, Suite 1100  
Denver, CO 80203

Custodian/Fund Administrator/Transfer Agent  
The Bank of New York Mellon  
One Wall Street  
New York, NY 10286

Legal Counsel  
Katten Muchin Rosenman, LLP  
575 Madison Avenue  
New York, New York 10022

Independent Registered Public Accounting Firm  
Ernst & Young LLP  
5 Times Square  
New York, NY 10036