



**FOR IMMEDIATE RELEASE**

**INDEXIQ INTRODUCES TWO NEW ETFs DESIGNED  
TO PROVIDE A HEDGE AGAINST INFLATION**

***IQ CPI Inflation Hedged ETF and IQ ARB Global Resources ETF  
are latest additions to firm's roster of alternative investment products***

RYE BROOK, New York, (October 27, 2009) - IndexIQ, a leading developer of index-based alternative investment solutions, has introduced the IQ CPI Inflation Hedged ETF (NYSE Arca: CPI) and IQ ARB Global Resources ETF (NYSE Arca: GRES), two new Exchange-Traded Funds (ETFs) that seek to provide investors with protection against inflation, it was announced today.

“To date, investors have been limited in the tools they have available in their efforts to protect their assets against inflation,” said Adam Patti, chief executive officer at IndexIQ. “With many forecasters believing that we are about to enter an extended period of greater inflationary pressures, we believe the time is right for a new approach to protecting wealth by seeking a real return at or above the rate of inflation. These two new funds offer a sophisticated approach to hedging the impact of a broad-based rise in price levels as measured by the Consumer Price Index (CPI).”

The IQ CPI Inflation Hedged ETF (NYSE Arca: CPI), the first US-listed real return ETF, seeks to replicate, before fees and expenses, the performance of the IQ CPI Inflation Hedged Index. The index seeks to give investors a hedge against changes in the U.S. inflation rate by providing a “real return,” or a return above the rate of inflation as measured by changes in the Consumer Price Index.

The IQ ARB Global Resources ETF (NYSE Arca: GRES), the first global resources hedged ETF, seeks to solve the problems associated with the significant overweight in the energy sector inherent in other broad-based commodity products. GRES also provides a hedge against inflation and a real return through exposure to a diversified portfolio of commodity-related equities.

IndexIQ utilizes a proprietary rules-based methodology to construct the underlying CPI and GRES indexes. The IQ CPI Inflation Hedged Index is comprised primarily of liquid securities that represent asset classes affected by changes in inflation, such as equities, fixed income, commodities, currencies, and real estate, providing the opportunity to build a portfolio that more dynamically reflects the impact of inflation.

The IQ ARB Global Resources Index uses momentum and valuation factors to identify global companies that operate in eight commodity-specific market segments and whose equity securities trade in

developed markets, including the U.S. The segments include livestock; precious metals; grains, food and fiber; energy; industrial metals; timber; water; and coal. It also includes short exposure to global equities as a partial equity market hedge.

### **Current tools insufficient**

IndexIQ believes that the tools currently available to investors are generally insufficient to provide an effective hedge against the impact of inflation on a portfolio. For example, investors may allocate to Treasury Inflation Protected Securities (TIPS) to offset the impact of inflation. However, TIPS historically have exhibited certain limitations in providing an effective inflation hedge, including higher correlation to bonds than inflation, and higher levels of volatility than CPI.<sup>1</sup> Moreover, TIPS have existed only since 1997, a period of benign inflation, and therefore their ability to hedge more significant inflation is, at best, unproven.

IndexIQ is the sponsor of a number of index-based alternative investment products designed to “democratize” the alternative investment landscape, including the first US-listed hedge fund replication Exchange-Traded Fund, the IQ Hedge Multi-Strategy Tracker ETF (NYSE Arca: QAI); the first Macro and Emerging Markets hedge fund replication ETF, the IQ Hedge Macro Tracker ETF (NYSE: MCRO); and the first open-end, no-load hedge fund replication mutual fund, the IQ ALPHA Hedge Strategy Fund (IQHIX – Institutional Share Class, and IQHOX – Investor Share Class). IndexIQ products are designed to be liquid, transparent, low cost, tax efficient, and accessible to a broad range of investors.\*

**Past performance is not a guarantee of future results.**

### **About IndexIQ**

Based in Rye Brook, New York, IndexIQ is a leading developer of index-based alternative investment solutions that combine the benefits of traditional index investing with the risk-adjusted return potential sought by the best active managers. The company’s philosophy is to democratize investment management by making innovative alternative investment strategies available to all investors in low cost, liquid, transparent and tax-efficient products. IndexIQ strategies are marketed through the company’s proprietary investment products and select partnerships with leading global financial institutions.

Additional information about the company and its products can be found at [www.IndexIQ.com](http://www.IndexIQ.com).

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

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<sup>1</sup> Data from Bloomberg and Factset for the period from July 1, 1999 to June 30, 2009 showing: (i) correlation of Barclays Capital Global Inflation-Linked - US TIPS Index (TIPS) of 62% to bonds (as represented by the Barclays Capital US Treasury (20+ Y) Index) and 9% to inflation (as represented by the US Consumer Price Index); and (ii) annualized standardized deviation of TIPS (6.65) and CPI (1.52).

Investors are reminded that all investing involves risk, including possible loss of principal. The IQ ALPHA Hedge Strategy Fund (IQ Fund), the IQ Hedge Multi-Strategy Tracker ETF (IQ Multi-Strategy ETF), and the IQ Macro Tracker ETF (IQ Macro ETF) are not hedge funds and do not invest in hedge funds.

The IQ Fund is a registered open-end mutual fund that invests in exchange-traded funds (ETFs) and similar securities in an attempt to replicate the performance characteristics of certain hedge fund investing styles, but with less cost, more liquidity, and greater portfolio transparency than traditional hedge funds. The Funds are new, with limited historical performance data. There can be no assurance that the Funds' investment strategies will be successful. The Funds are not suitable for all investors.

The investment performance of the IQ Multi-Strategy ETF, the IQ Macro ETF and the IQ CPI Inflation Hedged ETF (collectively, the IQ ETFs), because they are funds of funds, depends on the investment performance of the underlying ETFs in which they invest. There is no guarantee that the IQ ETFs themselves, or each of the ETFs in the Funds' portfolios, will perform exactly as its underlying index. The IQ ETFs are non-diversified and susceptible to greater losses if a single portfolio investment declines than would a diversified mutual fund. The IQ ETFs' underlying ETFs invest in: foreign securities, which subject them to risk of loss not typically associated with domestic markets, such as currency fluctuations and political uncertainty; commodities markets, which subject them to greater volatility than investments in traditional securities, such as stocks and bonds; and fixed income securities, which subject them to credit risk – the possibility that the issuer of a security will be unable to make interest payments and/or repay the principal on its debt – and interest rate risk – changes in the value of a fixed-income security resulting from changes in interest rates. Leverage, including borrowing, will cause some of the IQ ETF's underlying ETFs to be more volatile than if the underlying ETFs had not been leveraged.

The investments of the IQ ARB Global Resources ETF (GRES) are concentrated in the global resources sector, the value of its shares will be affected by factors specific to that sector and may fluctuate more widely than that of a fund which invests in a broad range of industries. GRES also may be susceptible to foreign securities risk. Since GRES invests in foreign markets, it will be subject to risk of loss not typically associated with domestic markets. Loss may result because of less foreign government regulation, less public information, less economic, political and social stability, or other factors. GRES is exposed to mid and small capitalization companies risk. Stock prices of mid and small capitalization companies may be more volatile than those of larger companies and also are more vulnerable than those of large capitalization companies to adverse business and economic developments. Since GRES may invest directly in foreign currencies or in securities that trade in, and receive revenues in, foreign currencies, GRES is subject to the risk that those currencies will decline in value relative to the U.S. that the U.S. dollar will decline in value relative to the currency being hedged. GRES has a limited operating history.

*Consider the Funds' investment objectives, risks, charges and expenses carefully before investing. A prospectus with this and other information about the Funds may be obtained by visiting [www.indexiq.com](http://www.indexiq.com) or by calling (888) 934-0777. Read the prospectus carefully before investing.*

*ETF Shares are not individually redeemable and owners of the ETF shares may acquire those ETF shares from the ETFs and tender those shares for redemption to the ETF in Creation Unit aggregations only, typically consisting of 50,000 Shares.*

The Funds are distributed by ALPS Distributors, Inc. (ALPS), which is not affiliated with IndexIQ. Adam Patti is a registered representative of ALPS.