



For Immediate Release

VETERAN ETF ANALYST PAUL MAZZILLI NAMED SENIOR ADVISOR AT INDEXIQ

Former head of Morgan Stanley's ETF research team to advise firm on the development of new ETF portfolio products for high net worth and institutional investors

NEW YORK, (January 5, 2009) – IndexIQ, a leading developer of index-based alternative investment solutions, announced today that Paul Mazzilli has been named Senior Advisor to IndexIQ and a member of the firm's Advisory Board.

Widely recognized as one of the leading Exchange-Traded Fund (ETF) analysts, Mazzilli has over 35 years experience in the investment business and most recently was an Executive Director at Morgan Stanley and Director of the firm's ETF Research team covering index-linked ETFs and actively managed closed-end fund companies. His coverage universe included a broad range of funds listed on U.S. exchanges that invest in equities in the U.S. and in international regions and countries, as well as taxable and municipal fixed income, commodities and currencies. Among Mazzilli's roles at Morgan Stanley, where he joined in 1975, was the oversight of Strategic Equity Portfolios (STEP) products and asset allocation models using ETFs.

Mr. Mazzilli's team was the first to provide research coverage on index-linked ETFs and won many awards in this area. These include awards for the most useful ETF research in the U.S. every year since inception in 2004 at the annual ETF Global Awards Dinner and Conference, and a new award for the Best Research Team for Exchange-Traded Funds in 2007 at the 7th Annual Capital Link Forum on Closed-End Funds and ETFs in April 2008.

"Paul Mazzilli is one of the leading analysts in the rapidly evolving field of Exchange-Traded Funds and represents a very strong addition to the IndexIQ team as we build upon our leadership in the alternative investment space," said Adam Patti, Chief Executive Officer at IndexIQ. "Given Paul's longtime expertise in developing sophisticated

asset allocation models, we are excited to work with him in developing products for the Advisor community and we are pleased to have Paul's vision and insight as a member of our team."

"IndexIQ has built a solid foundation in the alternative investment space and is a pioneer in some of the fastest-growing and advanced areas of investment management," said Mazzilli. "I look forward to working with IndexIQ as they continue to pave the way for a style of investing that addresses many of the problems experienced by today's investors, by offering products with similar performance characteristics, but with greater transparency, higher levels of liquidity and lower cost. Our intention is to work together to create investable portfolios designed to provide diversification, liquidity, transparency and other key benefits, which are increasingly important in today's volatile markets."

IndexIQ is a leading developer of innovative alternative investment products that combine the benefits of traditional index investing with the risk-adjusted performance potential sought by the best active managers. A pioneer in hedge fund replication, IndexIQ launched a full suite of investable index-based solutions in early 2007, and recently introduced the IQ Alpha Hedge Strategy Fund, the first no-load mutual fund that seeks to replicate hedge fund performance characteristics.* IndexIQ also has introduced the first suite of hedge fund replication SMA strategies targeted to High-Net-Worth Investors. In developing its product offerings, IndexIQ works closely with its Academic Board, comprised of some of the leading thinkers and researchers in portfolio construction, finance and alternative investments. The Academic Board is led by Professor Robert Whitelaw, Chairman of the Finance Department at NYU's Stern School of Business and Chief Investment Strategist at IndexIQ.

About IndexIQ

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

Additional information about the company and its products can be found at www.indexiq.com.

*Investors are reminded that mutual fund investing involves risk, including possible loss of principal. The Fund and its index are new, with limited historical performance data. There are no guarantees that the Fund will meet its objective. The Fund should be considered a high-risk investment due to its use of leverage, short-selling and derivatives, all of which may amplify the volatility of the Fund's share price. An investor in the Fund will bear the operating expenses of the underlying ETFs and related securities in which the Fund invests.

While it is a no-load fund, other fees and charges do apply. The Fund's Investment Adviser has contractually agreed to waive fees or reimburse expenses so that the Fund's total annual operating expenses do not exceed 1.15%. The expense limitation ends on April 30, 2009, at which time the limitation may be renewed, terminated or revised. The Fund will also assess a 2.00% redemption fee on shares redeemed within 7 days of purchase.

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

The Fund is distributed by PFPC Distributors, Inc., which is not affiliated with IndexIQ or the IQ ALPHA Hedge Strategy Fund's investment advisor, or with any of the individuals on the Academic Board. SMA strategies and other products are offered through IndexIQ Advisors LLC.

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