



Fact Sheet 12/31/2011

Fund Description

The IQ Merger Arbitrage ETF seeks to track, before fees and expenses, the performance of the IQ Merger Arbitrage Index.

Index Description

The Index seeks to achieve capital appreciation by investing in global companies for which there has been a public announcement of a takeover by an acquirer. This differentiated approach is based on a passive strategy of owning certain announced takeover targets with the goal of generating returns that are representative of global merger arbitrage activity.

The Index also includes short exposure to global equities as a partial equity market hedge.

Features and Benefits

- Seeks returns representative of global Merger Arbitrage activity
- Seeks to provide portfolio diversification benefits
- Intra-day liquidity
- Portfolio transparency – holdings available daily
- Rules-based approach¹

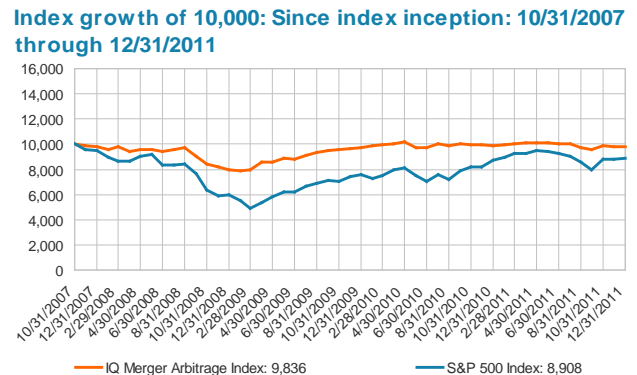
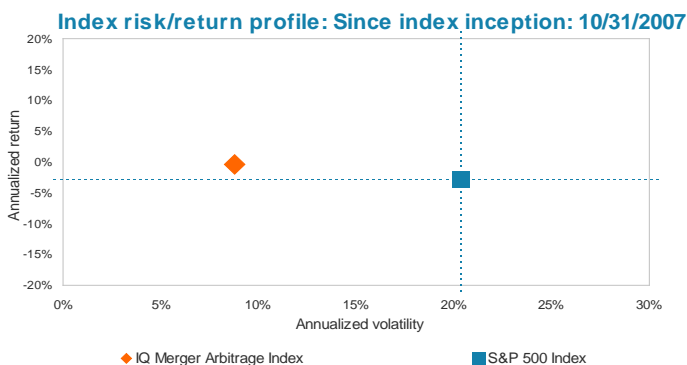
Risk Considerations

- Tracking error to the Index
 - Price may differ from NAV
 - Other risks similar to stocks
 - Risks specific to Merger Arbitrage sector
 - Foreign securities and currency risks
- See risk discussion on reverse side.

Fund Data

Fund Ticker	MNA
Intraday NAV (IIV)	MNAIIV
Index Symbol	IQMNAT
Exchange	NYSE Arca
# Holdings	35
Expense Ratio²	0.75%
Other Expenses²	0.01%
Total Annual Fund Operating Expenses²	0.76%
Wtd Market Cap (\$MM)	\$9,679
Index Beta vs. S&P 500²	0.30

Performance History



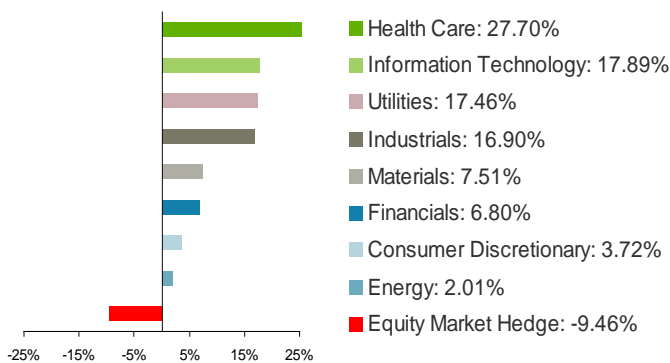
Fund / Index History	QTR	YTD	1-year	3-year †	Since Fund Inception: 11/17/2009 †	Since Index Inception: 10/31/2007 †
	Return	Return	Return	Return	Return	Return
IQ Merger Arbitrage ETF (NAV)	2.53%	-0.52%	-0.52%	n/a	0.17%	n/a
IQ Merger Arbitrage ETF (MP)	2.29%	-0.49%	-0.49%	n/a	-0.17%	n/a
IQ Merger Arbitrage Index	2.72%	-0.18%	-0.18%	7.18%	1.01%	-0.39%
S&P 500 Index	11.82%	2.11%	2.11%	1.75%	8.24%	-2.74%

† annualized

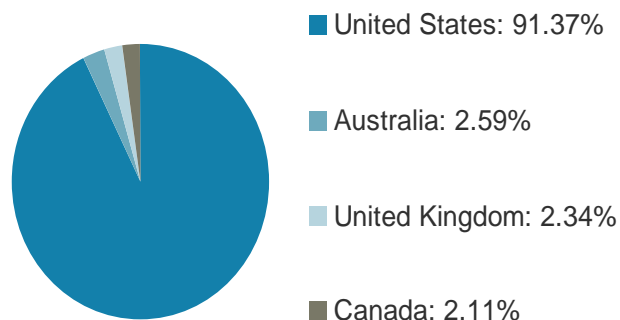
IndexIQ shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00 pm ET net asset value (NAV). The price used to calculate market price ("MP") is determined by using the closing price listed on the NYSE Arca and does not represent returns an investor would receive if shares were traded at other times.

The performance data quoted above represents past performance. Past performance is not a guarantee of future results. Investment return and value of the Fund shares will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than performance data quoted. Fund returns reflect dividends and capital gains distributions. Fund performance current to the most recent month-end is available by calling 1-888-934-0777 or by visiting www.indexiq.com. Index performance is for illustrative purposes only and does not represent actual Fund performance. One cannot invest directly in an index. Results prior to an Index component's existence as an ETF are based on its underlying index, which do not reflect underlying management fees. No representation is being made that any investment will achieve performance similar to that shown.

Fund Sector Allocation³ - 12/31/11



Fund Country Allocation³ - 12/31/11



Note: Eligible universe includes developed markets in North America, Europe, and Asia/Pacific regions.

Top Fund Equity Holdings³ - 12/31/11

Name	Sector	Weight
Pharmasset Inc.	Health Care	14.08%
Goodrich Corp.	Industrials	11.94%
El Paso Corp.	Utilities	10.83%
Motorola Mobility Holdings Inc.	Information Technology	8.67%
Medco Health Solutions Inc.	Health Care	6.20%
Southern Union Co.	Utilities	5.19%
NetLogic Microsystems Inc.	Information Technology	5.15%
HealthSpring Inc.	Health Care	5.08%
Temple-Inland Inc.	Materials	4.62%
TransAtlantic Holdings Inc.	Financials	3.36%

Consider the Fund's 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 Fund and are available by visiting www.indexiq.com or calling 1-888-934-0777. Read the prospectus carefully before investing.

Risk Discussion: Certain of the proposed takeover transactions in which the Fund invests may be renegotiated, terminated or involve a longer time frame than originally contemplated, which may negatively impact the Fund's returns. The Fund's investment strategy may result in high portfolio turnover, which, in turn, may result in increased transaction costs to the Fund and lower total returns. The Fund is susceptible to foreign securities risk – since the Fund invests in foreign markets, it will be subject to risk of loss not typically associated with domestic markets, including currency transaction risk. Diversification does not eliminate the risk of experiencing investment losses. Stock prices of mid and small capitalization companies generally are more volatile than those of larger companies and also more vulnerable than those of larger capitalization companies to adverse economic developments. The Fund is non-diversified and is susceptible to greater losses if a single portfolio investment declines than would a diversified fund. The ETF should be considered a speculative investment with a high degree of risk, does not represent a complete investment program and is not suitable for all investors.

The MSCI World Index is a free-float adjusted market capitalization weighted index that is designed to measure the equity market performance of developed market (performance data assumes reinvestment of dividends, but it does not reflect management fees, transaction costs or other expenses). Sources for IndexIQ and benchmark data: IndexIQ, FactSet, Bloomberg.

¹The Fund employs a "passive management" – or indexing – investment approach designed to track the performance of the Index. The Fund invests primarily in the Index components that comprise the Index.

²As stated in the Fund's prospectus, the expense ratio of 0.75% is expressed as a unitary fee to cover expenses incurred in connection with managing the portfolio. The Fund has Total Annual Fund Operating Expenses of 0.77%, which includes other Fund expenses. Beta is a measure of volatility or systematic risk in comparison to the market as represented by the S&P 500 Index.

³Demonstrates the allocations of the Fund to the various industry sectors represented by the Fund's holdings. Sector and country allocations exclude cash and cash-equivalents. "Equity Market Hedge" exposure reflects short exposure. Sector and country allocation information and Fund holdings are subject to change without notice.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in-kind.

IndexIQ has no obligation to take the needs of the Funds or its owners into consideration in determining, composing or calculating the Index. IndexIQ shall not be liable to any person for any error in the Index nor shall it be under any obligation to advise any person of any error therein.

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

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