



Fact Sheet 12/31/2011

Fund Description

The IQ US Real Estate Small Cap ETF seeks to track, before fees and expenses, the performance of the IQ US Real Estate Small Cap Index.

Index Description

The IQ US Real Estate Small Cap Index is float-adjusted market cap-weighted and seeks to track the overall performance of small capitalization US real estate companies.

Features and Benefits

- Complement to large cap U.S. real estate exposure
- Tax efficient - Fund seeks to minimize capital gains distributions
- Intra-day liquidity
- Transparency – holdings available daily
- Rules-based approach¹

Risk Considerations

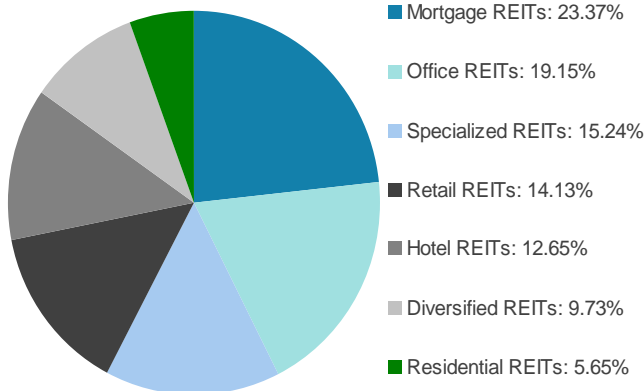
- Tracking error to the Index
- Price may differ from NAV
- Other risks similar to stocks
- Risks specific to real estate sector
- Small cap exposure

See risk discussion on reverse side.

Fund Data

Fund Ticker	ROOF
Intraday NAV (IIV)	ROOF.IV
Index Symbol	IQSMREST
Exchange	NYSE Arca
Expense Ratio²	0.69%
# Holdings	42
Wtd Avg Mkt Cap (\$ MM)	\$884
Price/Book Value Ratio³	1.10
Index Dividend Yield⁴	7.50
Dividend Frequency	Quarterly

Fund Sector Allocation⁵ (12/31/2011)



Top Fund Holdings⁵ (12/31/2011)

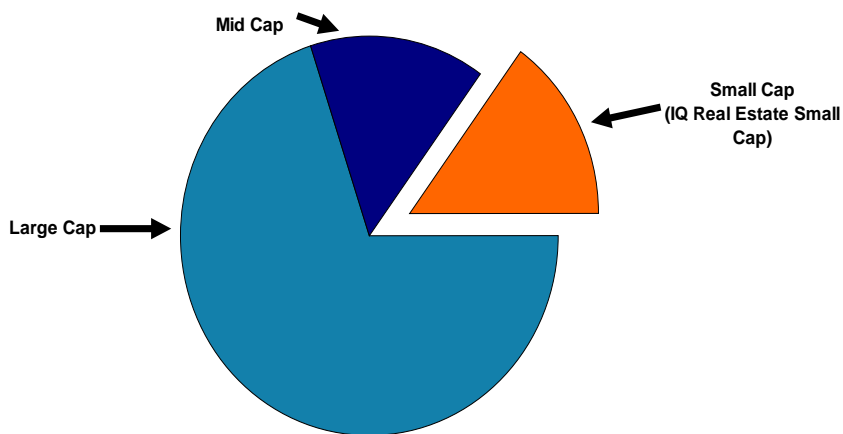
Name	Sector	Weight
Invesco Mortgage Capital Inc.	Mortgage REITs	5.71%
CubeSmart	Specialized REITs	4.59%
Brandywine Realty Trust	Office REITs	4.53%
DCT Industrial Trust Inc.	Specialized REITs	4.43%
Medical Properties Trust Inc.	Specialized REITs	3.88%
Lexington Realty Trust	Office REITs	3.62%
Glimcher Realty Trust	Retail REITs	3.48%
Pebblebrook Hotel Trust	Hotel REITs	3.44%
Sunstone Hotel Investors Inc.	Hotel REITs	3.37%
Education Realty Trust Inc.	Residential REITs	3.31%

Fund / Index history	QTR	YTD	1-year	Since Fund Inception
	Return	Return	Return	6/14/2011
IQ Real Estate Small Cap ETF (NAV)	14.20%	n/a	n/a	-9.02%
IQ Real Estate Small Cap ETF (MP)	12.87%	n/a	n/a	-10.50%
IQ Real Estate Small Cap Index	14.49%	n/a	n/a	-8.63%

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.

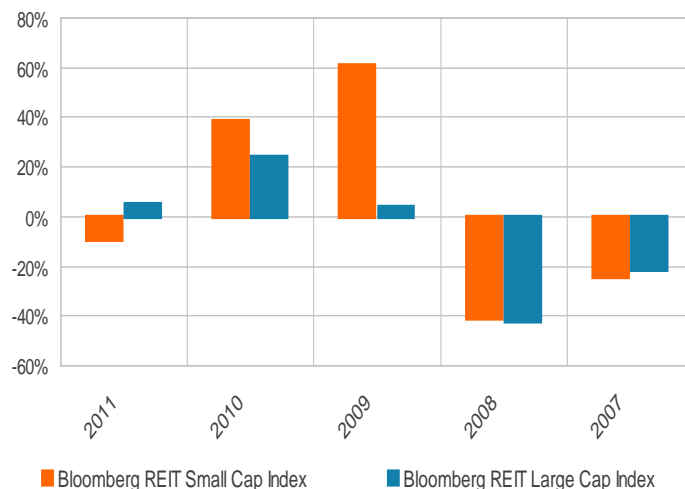
The performance data quoted above represents past performance. Past performance is not a guarantee of future results. Investment return and value of the Fund shares will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Current performance may be lower 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. Performance data for the Index assumes reinvestment of dividends, but it does not reflect management fees, transaction costs or other expenses that you would pay if you invested in the Fund directly. No representation is being made that any investment will achieve performance similar to that shown.

Completeness of Market Cap Spectrum



For illustrative purposes only - the pie chart above does not depict any investment portfolio or asset allocation strategy.

Small Cap vs. Large Cap Calendar Year Index Returns



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: As the Fund's investments are concentrated in the real estate sector, it is exposed to concentration risk, interest rate risk, leverage risk, property risk and management risk. The Fund is concentrated in small capitalization companies, whose stock prices generally are more volatile than those of larger companies. The Fund is non-diversified and is susceptible to greater losses if a single portfolio investment declines than would a diversified fund. The Fund is not suitable for all investors. Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk and the Fund does not represent a complete investment program.

¹ The 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.

² As stated in the Fund's prospectus, the expense ratio of 0.69% is expressed as a unitary fee to cover expenses incurred in connection with managing the portfolio.

³ Price/Book Ratio is used to compare a company's stock's value to its book value and is not intended to demonstrate growth or income.

⁴ Index Dividend Yield is a measure of the annual dividends of the shares of all index components divided by the index value.

⁵ Demonstrates the allocations of the Fund to the various sectors represented by the fund holdings. The 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.

The Bloomberg REIT Large Cap Index is a capitalization weighted index of comprising large capitalization REITS. The Bloomberg REIT Small Cap Index is a capitalization weighted index of comprising small capitalization REITS.

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