



Fact Sheet 9/30/2011

Fund Description

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

Index Description

The IQ Taiwan Small Cap Index is float-adjusted market cap-weighted and seeks to provide investors with a means of tracking the overall performance of small cap Taiwan companies.

Features and Benefits

- Complement to large cap Taiwan exposure
- Allows investors to isolate country exposure - all components are listed on the Taiwan Stock Exchange
- Tax efficient - Fund seeks to minimize capital gains distributions
- Intra-day liquidity
- Transparency – holdings available daily
- Rules-based approach¹

Risk Considerations

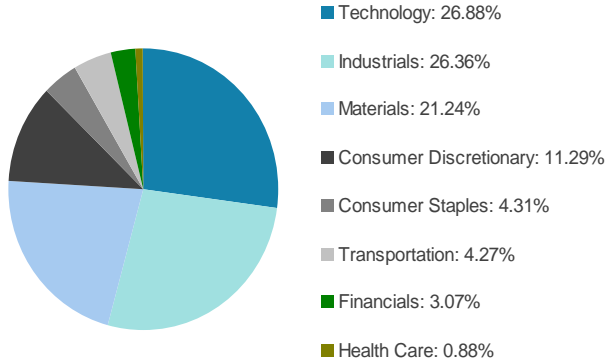
- Tracking error to the Index
- Price may differ from NAV
- Other risks similar to stocks
- Risks specific to Taiwan market
- Small cap exposure
- Foreign securities and currency risks

See risk discussion on reverse side.

Fund Data

Intraday NAV (IIV)	TWON.IV
Index Symbol	IQSMTAIT
Exchange	NYSE Arca
Expense Ratio²	0.79%
Foreign Taxes²	0.12%
Total Fees	0.91%
# Holdings	100
Wtd Avg Mkt Cap (\$ MM)	\$408
Price/Earnings Ratio³	10.68
Price/Book Value Ratio⁴	1.43

Fund Sector Allocation⁴ (9/30/2011)



Top Fund Holdings⁴ (9/30/2011)

Name	Sector	Weight
Ralink Technology	Technology	1.83%
Yungtay Engineering Co. Ltd.	Industrials	1.76%
Taiwan Hon Chuan Enterprise Co. Ltd.	Materials	1.73%
CMC Magnetics Corp.	Technology	1.73%
Career Technology (Mfg.) Co. Ltd.	Industrials	1.68%
Taiwan Surface Mounting Technology Corp.	Industrials	1.55%
Kerry TJ Logistics Co. Ltd.	Transportation	1.55%
Shinkong Synthetic Fibers Corp.	Materials	1.52%
D-Link Corp.	Technology	1.51%
King Yuan Electronics Co. Ltd.	Technology	1.45%

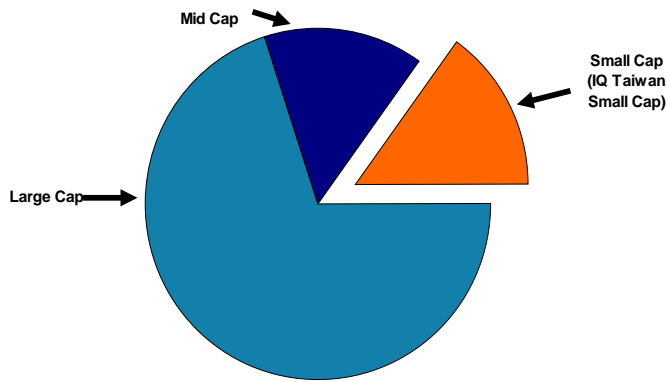
Fund / Index history	QTR	YTD	1-year	Since Fund Inception †
	Return	Return	Return	Inception Date: 5/19/2010
IQ Taiwan Small Cap ETF (NAV)	-22.69%	-25.89%	-18.99%	-6.00%
IQ Taiwan Small Cap ETF (MP)	-26.44%	-29.74%	-23.43%	-9.31%
IQ Taiwan Small Cap Index	-22.21%	-24.88%	-17.99%	-4.07%

† 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.

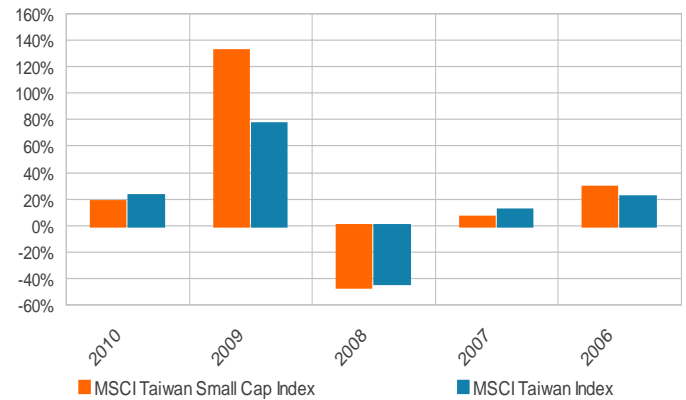
The performance data quoted above represents past performance. Past performance is not a guarantee of future results. Investment return and value of the Fund shares will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Current performance may be lower 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. 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 Taiwan, the value of its shares will be affected by factors specific to Taiwan and may fluctuate more widely than that of a fund which invests in a broad range of countries and in developed markets. Investments in Taiwan can be impacted by several factors, including a natural disaster in Taiwan, a reduction in trading activity with its key trading partners, labor-related issues (rising labor costs and increasing environmental consciousness have led some labor-intensive industries to relocate to countries with cheaper work forces, and continued labor outsourcing may adversely affect the Taiwanese economy), fluctuations or shortages in the commodity markets (Taiwan is a small island state with few raw material resources and limited land area and is reliant on imports for its commodity needs), political uncertainties (the uncertainty with which Taiwan is recognized internationally could materially impact the Taiwanese economy and securities market). 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. The Fund is concentrated in small capitalization companies, whose stock prices generally are more volatile than those of larger companies and also are more vulnerable than those of large capitalization companies to adverse business and economic developments. Both the Fund's ability to track its Index and Fund returns in general may be adversely impacted by changes in currency exchange rates. The ETF is new and has limited operating history. 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.

MSCI Taiwan Index is a capitalization-weighted index that aims to capture 85% of the publicly available total market capitalization of companies located in Taiwan. MSCI Taiwan Small Cap Index is a capitalization-weighted index that aims to capture the bottom 15% of the publicly available total market capitalization of companies located in Taiwan. Sources for IndexIQ and benchmark data: IndexIQ, FactSet, Bloomberg.

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 0.79% is expressed as a unitary fee to cover expenses incurred in connection with managing the portfolio. The Fund may also incur Foreign Taxes. As Foreign Taxes will vary over time, they are based on estimated amounts for the current fiscal year.

³ Price/Earnings Ratio is a valuation of a company's current share price compared to its per-share earnings and is not intended to demonstrate growth or income.

⁴ 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.

⁵ Demonstrates the allocations of the Fund to the various industry sectors represented by the Fund's holdings. The sector 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.

The IQ Taiwan Small Cap Index is the exclusive property of IndexIQ which has contracted with Standard & Poor's ("S&P") to maintain and calculate the Index. S&P shall have no liability for any errors or omissions in calculating the Index. IndexIQ® and IQ® are registered service marks of IndexIQ.

The material contained in this document is for general information purposes only and is based on information that is considered to be reliable, but IndexIQ and its related entities (collectively "IndexIQ") make this information available on an "as is" basis and make no warranties, express or implied regarding the accuracy of the information contained herein, for any particular purpose. IndexIQ, its affiliates and its independent providers are not liable for any information errors, incompleteness, or delays, or for any actions taken in reliance on information contained herein. Nothing contained in this material is intended to constitute legal, tax, securities, financial or investment advice, nor an opinion regarding the appropriateness of any investment. The information herein should not be acted upon without obtaining specific legal, tax or investment advice from a licensed professional.

Not FDIC Insured • May Lose Value • Not Bank Guaranteed