

Fact Sheet 5/16/2011

Fund description

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

Index description

The IQ Japan Mid Cap Index is float-adjusted market cap-weighted and seeks to track the overall performance of the mid capitalization sector of publicly traded companies domiciled and primarily listed on an exchange in Japan.

Features and benefits

- Complement to large cap and small cap Japan exposure
- Allows investors to isolate country exposure - all components are listed on an exchange in Japan
- 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 Japan market
- Mid cap exposure
- Foreign securities and currency risks

See risk discussion on reverse side.

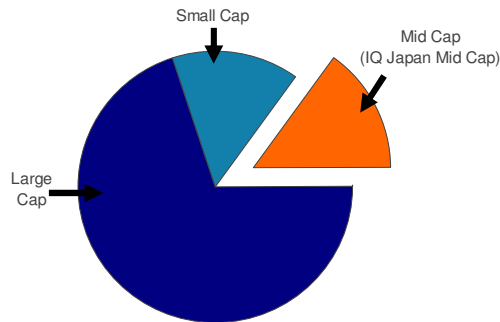
Fund data

Fund Inception Date	June 2, 2011
Fund Ticker	RSUN
Intraday NAV (IIV)	RSUN.IV
Exchange	NYSE Arca
Expense Ratio²	0.69%

Index data

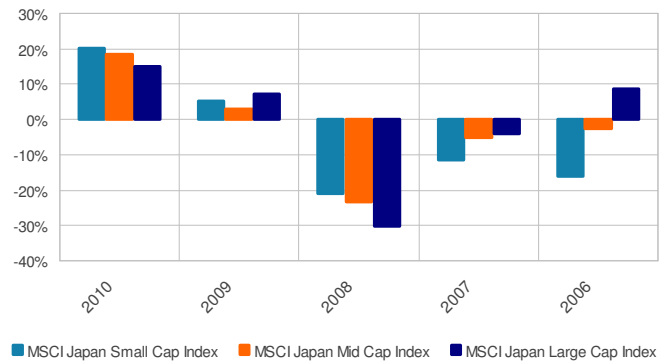
Index Symbol	IQMDJPN
# Holdings	100
Wtd Avg Mkt Cap (\$ MM)	2,981
Price/Earnings Ratio³	14.81
Price/Book Value Ratio⁴	0.90

Completeness of market cap spectrum



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

Small, Mid and Large cap calendar year index returns

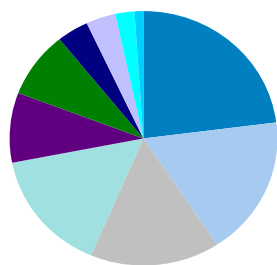


Fund / Index history	QTR	YTD	1-year	Since Fund Inception
	Return	Return	Return	Inception Date: 6/2/2011
IQ Japan Mid Cap ETF (NAV)	NA	NA	NA	NA
IQ Japan Mid Cap ETF (MP)	NA	NA	NA	NA
IQ Japan Mid Cap Index	NA	NA	NA	NA

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 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. 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.

Index sector allocation⁵ (5/16/2011)



■ Industrials: 23.16%
■ Financials: 17.69%
■ Consumer Discretionary: 15.64%
■ Materials: 15.38%
■ Technology: 9.08%
■ Consumer Staples: 8.34%
■ Transportation: 3.73%
■ Health Care: 3.71%
■ Energy: 2.28%
■ Utilities: 1.00%

Top index holdings⁵ (5/16/2011)

Name	Sector	Weight
Teijin Ltd.	Consumer Discretionary	1.97%
Sumitomo Heavy Industries Ltd.	Industrials	1.87%
Advantest Corp.	Technology	1.57%
Aozora Bank Ltd.	Financials	1.52%
Mitsui Chemicals Inc.	Materials	1.51%
Brother Industries Ltd.	Technology	1.48%
IHI Corp.	Industrials	1.47%
Fukuoka Financial Group Inc.	Financials	1.44%
Elpida Memory Inc.	Technology	1.43%
THK Co. Ltd.	Industrials	1.42%

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 Japan, the value of its shares will be affected by factors specific to Japan and may fluctuate more widely than that of a fund which invests in a broad range of countries. Since the Fund invests in foreign markets, it will be subject to risk of loss not typically associated with domestic markets. The Fund invests in the securities of mid capitalization companies, the value of which generally are more volatile than those of larger companies. 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 does not represent a complete investment program.

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 0.69% is expressed as a unitary fee to cover expenses incurred in connection with managing the portfolio.

³Price/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.

⁴Price/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.

⁵Demonstrates the allocations of the Index to the various sectors represented by the index holdings. The sector and index 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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