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Given the recent concern over auction rate securities with respect to closed-end funds, IQ Investment Advisors LLC (“IQ Investment Advisors”) would like to remind investors that none of the IQ funds leverage their portfolios through the issuance of auction rate securities. While some IQ funds employ leverage as a part of their investment strategy, the leverage is achieved without relying on these types of securities.

The IQ funds that leverage their portfolios do not do so through bank borrowings or auction market preferred securities (AMPS). Rather, the funds generally use total return swap contracts, but may also use futures, forwards, options and other financial instruments.

In a total return swap, the Fund pays a fixed interest rate (set at inception) in exchange for payment from the swap counterparty that is based on the performance of a reference index. A total return swap would be expected to benefit the Fund when the return on the swap’s reference index exceeds the funding cost of the swap contract. In instances where the funding cost exceeds the return on the underlying index, the swap would be expected to reduce the Fund’s returns.

IQ Investment Advisors strives to provide investors with sophisticated, cost-effective solutions coupling the expertise of experienced portfolio managers with highly regimented quantitative investment strategies. IQ Investment Advisors will continue to keep investors abreast of relevant developments and performance in its funds as market conditions warrant.

For additional information about any IQ Investment Advisors fund, including risks and expenses, please see the fund’s most current annual and/or semi-annual shareholder report, which can be found at www.iqiafunds.com, or call (877) 449-4742.