

KEY INVESTOR INFORMATION

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



IndexIQ Factors Sustainable Sovereign Euro Bond, a sub-fund of the SICAV IndexIQ

Class UCITS ETF Dis - Distribution shares: LU1603795292

Competent authority: CSSF (Commission de Surveillance du Secteur Financier)

Management company: Candriam Luxembourg

OBJECTIVES AND INVESTMENT POLICY

Principal assets traded:

Bonds and other debt securities denominated in euro and issued by sovereign states, selected on basis of sustainable and responsible investing ("SRI") criteria.

Investment strategy:

The Fund seeks to track the performance of the Solactive Candriam Factors Sustainable Sovereign Euro Bond Index (the Index) mainly by making direct investments in transferable securities representing an optimized sample of the underlying components of the Index (physical replication). For a maximum of 10% of its assets, the Fund may invest in other transferable securities and/or other eligible assets.

The SRI selection process which is developed by Candriam retains countries which are countries well equipped to manage their human, natural and social capital and provide economic stability, and which are not considered as highly oppressive regimes. The weighting of securities in the Index is then determined on basis of a methodology using a scoring system based on a combination of fundamental, valuation, liquidity, quality, and volatility factors.

The optimisation techniques may consist in including strategic selection of some, rather than all, of the securities that make up the Index, holding securities in proportions that differ from the proportions of the Index, using of financial derivative instruments to track the performance of certain securities that make up the Index and/or holding securities which are not underlying components of the Index where such securities approximate securities comprised in the Index in terms of risk and reward profile and other relevant characteristics.

It is expected that the Tracking Error (the volatility of the difference between the return of the Fund and the return of the index) of the Fund under normal market conditions will remain below 0.20% per annum.

Information on the Index, including information on the underlying components of the Index, the Index calculation and rebalancing methodology, is available at www.solactive.com.

The fund may use derivative products both for investment and hedging purposes (hedging against unfavourable future financial events).

Benchmark: The Solactive Candriam Factors Sustainable Sovereign Euro Bond Index is designed to deliver exposure to investment grade fixed income securities denominated in Euro and issued by sovereign states (EMU and non-EMU countries), meeting sustainable and responsible investing ("SRI") criteria developed by Candriam.

Redemption of shares: On request, every valuation day, in Luxembourg.

The Fund's shares are listed and traded on one or more stock exchanges. In normal circumstances, you may deal in shares during the trading hours of the stock exchanges, provided that the Market Makers can maintain market liquidity. Only authorised participants (e.g. selected financial institutions) may deal in shares directly with the Fund on the primary market every valuation day before 14:00. Further details are provided in the prospectus of the Fund.

Allocation of income: Distribution.

Recommendation: This fund may not be suitable for investors who plan to withdraw their capital within 6 years.

RISK AND REWARD PROFILE



- The risk level shown reflects the fund's historical volatility, completed where applicable by that of its reference framework. The volatility indicates the extent to which the value of the fund may fluctuate upwards or downwards.
- The historical data may not be a reliable indication for the future.
- The indicated category may vary over time.
- The lowest category does not mean "risk-free".
- There is no guarantee or mechanism to protect the capital.

The investor needs to be aware of the following significant risks which are not necessarily adequately taken into account by the indicator:

- **Credit risk:** the fund is exposed to the risk of default of an issuer in terms of honouring the payment of coupons and/or the repayment of the amount borrowed.

- **Emerging countries risk:** emerging countries may experience political, legal or fiscal uncertainties or other events that could impact negatively on the assets of the fund. The assets traded in these countries may be subject to market movements that are potentially more rapid than in the major international markets and listing differentials that may be considerably bigger under certain market conditions. These assets may prove to be less liquid and may not be able to be sold quickly and at reasonable prices. Exchange rate fluctuations involving the currencies of emerging countries may be sudden and substantial.

- **Concentration risk:** given the significant concentration of assets in one market segment and a limited number of issuers, the risks potentially associated with a deterioration of the fundamentals and/or the liquidity of this segment would have a greater impact on the assets compared to a more diversified portfolio of assets.

- **Index tracking risk:** the Fund's performance may not exactly track the index. This can result from market fluctuations, changes in the composition of the index, transaction costs, the costs of making changes to the Fund's portfolio, other Fund expenses etc.

CHARGES

ONE-OFF CHARGES TAKEN BEFORE OR AFTER YOU INVEST	
Entry charge	5.00%
Exit charge	3.00%
Switch Charge	3.00%
CHARGES TAKEN FROM THE FUND OVER A YEAR	
Ongoing charges	0.30%
CHARGES TAKEN FROM THE FUND UNDER CERTAIN SPECIFIC CONDITIONS	
Performance fee	N/A

The charges you pay are used to pay the costs of running the fund, including the costs of selling and distributing its shares. These charges reduce the potential growth of your investment.

Entry and exit charges:

The charges shown are maximum figures. In some cases, you might pay less.

You can find out the actual amounts from your financial adviser or distributor.

One off charges will only apply when shares are subscribed or redeemed directly from the Fund, and will not apply when investors buy or sell such shares on stock exchanges. Investors dealing on exchange will pay fees charged by their stock brokers. Such charges can be obtained from stock brokers. Authorised participants dealing directly with the Fund will pay related transaction costs.

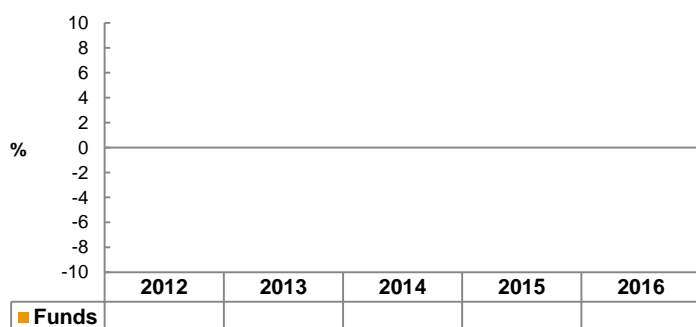
Ongoing charges:

The figure stated is intended to cover all costs. The Management company will absorb all possible expenses that could exceed it or significant potential gains.

It does not include a performance fee or the portfolio transaction costs, except those billed by the custodian bank and the cases where entry/exit charges are paid by the fund when buying or selling units in another fund.

More details on charges are found in the relevant sections of the prospectus accessible via www.indexiq.eu.

PAST PERFORMANCE



There is insufficient data to provide a useful indication on past performance.

Year of introduction of the share:2017.

Currency: EUR.

PRACTICAL INFORMATION

Custodian bank: State Street Bank Luxembourg S.C.A..

This document provides a description of a share class of a sub-fund of IndexIQ. The prospectus and periodical reports are established for all the sub-funds. There are other share classes and these are listed in the prospectus.

Investors may apply for the conversion of their shares into shares of another class of the same sub-fund or into shares of a class of another sub-fund of the fund, based on the eligibility criteria and following the procedures available through their financial intermediary.

The sub-fund is only liable for the debts, liabilities and obligations that can be charged to it.

Additional information about the fund can be found in the prospectus and the periodical reports, which may be obtained free of charge on request from the registered office of the Management Company or viewed at any time on the website www.indexiq.eu. These documents are available in one of the

languages approved by the local authority of each country where the fund is authorised to market its shares or in a common language in the international finance sphere. All other practical information, in particular the latest share price, is available from the places shown above.

The tax legislation of the Home State of the fund may have an effect on the investor's personal taxation position.

The indicative net asset value is published on www.euronext.com.

Details of the up-to-date remuneration policy, including the composition of the remuneration committee and an overview of how remuneration and benefits are determined, are available on Candriam's website via the link https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf.

Upon request, a paper copy of the remuneration policy can be obtained from the Management Company free of charge.

Candriam Luxembourg can only be held liable for the declarations contained in this document and its translations if they are misleading, inaccurate or inconsistent with the corresponding parts of the prospectus.

This fund is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier.
This key investor information is accurate as at 6/26/2017.