

**INDEXIQ ETF TRUST**  
**(the "Trust")**

**IQ Hedge Multi-Strategy Tracker ETF**  
**(the "Fund")**

Supplement dated October 23, 2017 ("Supplement")  
to the Summary Prospectus dated August 29, 2017

*Capitalized terms and certain other terms used in this Supplement, unless otherwise defined in this Supplement, have the meanings assigned to them in the Summary Prospectus.*

Effective, November 1, 2017, IndexIQ Advisors LLC has contractually agreed, until August 31, 2019, to waive a portion of the Fund's management fee equal to 0.22% of the Fund's average daily net assets.

Effective November 1, 2017, the Annual Fund Operating Expenses table in the Summary Information section is hereby replaced with the following:

**Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):**

Management Fee	0.75%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses <sup>(a)</sup>	0.01%
Acquired Fund Fees & Expenses <sup>(a)</sup>	<u>0.22%</u>
Total Annual Fund Operating Expenses <sup>(a)</sup>	0.98%
Fee Waiver <sup>(b)</sup>	<u>0.22%</u>
<b>Total Annual Fund Operating Expenses After Fee Waiver</b>	<b><u>0.76%</u></b>

(a) The Total Annual Fund Operating Expenses may not correlate to the ratio of expenses to average net assets as reported in the "Financial Highlights" section of the Prospectus, which reflects the operating expenses of the fund and does not include Acquired Fund Fees & Expenses. Acquired Fund Fees & Expenses represent the Fund's pro rata share of fees and expenses incurred indirectly as a result of investing in other funds, including ETFs and money market funds.

(b) IndexIQ Advisors LLC (the "Advisor") has contractually agreed, until August 31, 2019, to waive a portion of its management fee equal to 0.22% of average daily net assets.

Effective November 1, 2017, the Expense Example table is hereby replaced with the following:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$78	\$267	\$498	\$1,160

**Investors Should Retain This Supplement for Future Reference**

SUMMARY PROSPECTUS | AUGUST 29, 2017

# IndexIQ ETF Trust



## **IQ Hedge Multi-Strategy Tracker ETF** **QAI**

*This summary prospectus is designed to provide investors with key fund information in a clear and concise format. Before you invest, you may want to review the Fund's full prospectus, which contains more information about the Fund and its risks. The Fund's full prospectus dated August 29, 2017 and statement of additional information dated August 29, 2017, and most recent annual report to shareholders, dated April 30, 2017, are all incorporated by reference into this Summary Prospectus. All this information may be obtained at no cost either: online at [nylinvestments.com/IQetfs/resources](http://nylinvestments.com/IQetfs/resources); by calling IndexIQ Funds at 888-474-7725 or by sending an email request to [info@indexiq.com](mailto:info@indexiq.com).*

## Summary Information

# IQ Hedge Multi-Strategy Tracker ETF

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### Investment Objective

The Fund seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of its underlying index, the IQ Hedge Multi-Strategy Index (the "Underlying Index").

### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund ("Shares"). Investors purchasing Shares on a national securities exchange, national securities association or over-the-counter trading system where Shares may trade from time to time (each, a "Secondary Market") may be subject to customary brokerage commissions charged by their broker that are not reflected in the table set forth below.

### Shareholder Fees (fees paid directly from your investment):

No shareholder fees are levied by the Fund for purchases and sales made on the Secondary Market.

### Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

Management Fee	0.75%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses	0.01%
Acquired Fund Fees & Expenses <sup>(a)</sup>	<u>0.22%</u>
Total Annual Fund Operating Expenses <sup>(a)</sup>	<u>0.98%</u>

(a) The Total Annual Fund Operating Expenses may not correlate to the ratio of expenses to average net assets as reported in the "Financial Highlights" section of the Prospectus, which reflects the operating expenses of the Fund and does not include Acquired Fund Fees & Expenses. Acquired Fund Fees & Expenses represent the Fund's pro rata share of fees and expenses incurred indirectly as a result of investing in other funds, including ETFs and money market funds.

**Example.** This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels. The return of 5% and estimated expenses are for illustration purposes only, and should not be considered indicators of expected Fund expenses or performance, which may be greater or less than the estimates. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$100	\$312	\$542	\$1,201

## **Portfolio Turnover**

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 285% of the average value of its portfolio. This rate excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund's Shares.

## **Principal Investment Strategies**

The Fund is a "fund of funds" which means it invests, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the investments included in its Underlying Index, which includes underlying funds. The Underlying Index consists of a number of components ("Underlying Index Components") selected in accordance with IndexIQ's rules-based methodology of such Underlying Index. Such Underlying Index Components will include primarily ETFs and/or other exchange-traded vehicles issuing equity securities organized in the U.S., such as exchange-traded commodity pools ("ETVs"), and may include exchange-traded notes ("ETNs") (such ETFs, ETVs and ETNs are referred to collectively as "exchange-traded products" or "ETPs"). The Fund may also invest in one or more financial instruments, including but not limited to futures contracts and swap agreements (collectively, "Financial Instruments").

The Fund employs a "passive management" — or indexing — investment approach designed to track the performance of the Underlying Index, which was developed by IndexIQ LLC ("IndexIQ"), an affiliate of IndexIQ Advisors LLC, the Fund's investment advisor (the "Advisor"). The Underlying Index seeks to track the "beta" portion of the returns (i.e., that portion of the returns of hedge funds that are non-idiosyncratic, or unrelated to manager skill) of hedge funds that employ various hedge fund investment styles (the "Strategy"). These styles may include but are not limited to long/short equity, macro, market neutral, event-driven, fixed-income arbitrage, emerging markets and other strategies commonly used by hedge fund managers. The Fund does not invest in hedge funds, and the Underlying Index does not include hedge funds as Underlying Index Components. The Fund is not a fund of hedge funds.

The Underlying Index may include both long and short positions in ETFs and ETVs. As opposed to taking long positions in which an investor seeks to profit from increases in the price of a security, short selling (or "selling short") is a technique used by the Fund to try and profit from the falling price of a security. Short selling involves selling a security that has been borrowed from a third party with the intention of buying the identical security back at a later date to return to that third party. The basic principle of short selling is that one can profit by selling a security now at a high price and later buying it back at a lower price. The short seller hopes to profit from a decline in the price of the security between the sale and the repurchase, as the seller will pay less to buy the security than it received on selling the security.

Hedge fund investment styles may include but are not limited to long/short equity, macro, market neutral, event-driven, fixed-income arbitrage, emerging markets and other strategies commonly used by hedge fund managers.

- Long/short hedge funds typically diversify their risks by limiting the net exposure to particular regions, industries, sectors and market capitalization bands, allowing them to focus on company-specific anomalies. At the same time, long/short managers often hedge against un-diversifiable risk, such as market risk (i.e., the returns of the overall market). Certain long/short managers focus on specific sectors, regions or industries, on particular investment styles, such as value or growth, or certain types of stocks, such as small or large.
- Macro hedge funds typically employ top-down macro analysis (e.g., political trends, macroeconomics, etc.) to identify dislocations in equity, fixed-income, currency and commodity markets that are expected to lead to large price movements.
- Market Neutral hedge funds typically invest in both long and short positions in stocks while minimizing exposure to the systematic components of risk. These market neutral strategies seek to have a zero "beta" (or "market") exposure to one or more systematic risk factors including the overall market (as represented by the S&P 500 Index), economic sectors or industries, market capitalization, region and country. Market neutral strategies that effectively neutralize the market exposure are not impacted by directional moves in the market.
- Event-Driven hedge funds typically invest in a combination of credit opportunities and event-driven equities. Within the credit-oriented portion, sub-strategies include long/short high yield credit (below investment grade corporate bonds or "junk" bonds), leveraged loans (bank debt, mezzanine, or self-oriented loans), capital structure arbitrage (debt vs. debt or debt vs. equity), and reorganization equity. Within the equity portion, sub-strategies include risk (or merger) arbitrage, holding company arbitrage, special situations and value equities where a change in management, significant product launch, or some other economic catalyst is expected to unlock shareholder wealth. Event-driven managers invest across multiple asset classes and may also seek to exploit shifts in economic cycles.
- Emerging Market hedge funds typically invest in financial instruments such as equities, sovereign and corporate debt issues and currencies of countries in "emerging" markets. Emerging countries are those in a transitional state from developing to developed.
- Fixed Income Arbitrage hedge funds typically employ strategies that seek to take advantage of price differentials and inefficiencies between related fixed-income securities that are related either economically or statistically. Such funds may limit volatility by hedging out interest rate risk and market exposure.

The Underlying Index generally is based on the premise that hedge fund returns, when aggregated among hedge funds with similar investment styles, display over time significant exposures to a set of common investment strategies and asset classes. By creating an index that has similar exposures to the same investment strategies and asset classes as hedge funds generally, IndexIQ seeks to replicate the beta return characteristics of hedge funds.

The Underlying Index Components of this Strategy generally provide exposures to:

- U.S. large-capitalization equity;
- U.S. small-capitalization equity;
- U.S. growth equity;
- U.S. value equity;
- Emerging market equity, debt and sovereign debt, including small-capitalization equity;
- Foreign equity (Europe, Australasia & Far East), including small-capitalization equity;
- U.S. investment grade corporate debt;
- U.S. government short- and intermediate-term maturity obligations;
- U.S. high yield (or "junk") debt;
- U.S. Treasury Inflation Protection Securities ("TIPS");
- U.S. mortgage-backed debt
- U.S. convertible debt;
- U.S. floating rate bank loans;
- Foreign sovereign debt;
- Foreign currencies and currency futures;
- U.S. and foreign real estate investment trusts;
- Commodities; and
- The implied volatility of the S&P 500® Index.

The Underlying Index is unlike traditional market-oriented indexes like the Standard & Poor's 500® Composite Stock Total Return Index (the "S&P 500 Index"). Instead of tracking the performance of publicly-traded issuers representing a market or industry sector, the Underlying Index seeks to track the returns of distinct hedge fund investment styles.

For additional information about the Fund's principal investment strategies, see "Description of the Principal Investment Strategies of the Funds."

## Principal Risks

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. As with all investments, you may lose money in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Therefore, you should consider carefully the following risks before investing in the Fund. A more complete discussion of Principal Risks is included under "Description of the Principal Risks of the Funds."

### *Authorized Participant Concentration Risk*

Only certain large institutions (an "Authorized Participant") may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that may act as Authorized Participants on an agency basis (i.e., on behalf of other market participants). To the extent that those Authorized Participants exit the business or are unable to proceed with creation and/or redemption orders with the Fund and no other Authorized Participant is able to step forward to engage in creation and redemption transactions with the Fund, Fund Shares may be more likely to trade at a premium or discount to NAV and possibly face trading halts and/or delisting.

### *Fund of Funds Risk*

The Fund's investment performance, because it is a fund of funds, depends on the investment performance of the underlying ETPs in which it invests.

### *Underlying Funds Risk*

An investment in the Fund is subject to the risks associated with the underlying ETPs that comprise the Fund's Underlying Index. These risks include:

- **Commodity Risk.** Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. The value of commodities may be affected by changes in overall market movements, changes in interest rates, events affecting a particular industry or commodity and international economic, political and regulatory developments.
- **Credit/Default Risk.** Credit and default risk exists where an issuer or guarantor of fixed-income securities held by an ETP may default on its obligation to pay interest and repay principal. Lower rated securities typically present greater risk of default with high yield or "junk" bonds presenting the greatest risk.
- **Currency Risk.** Investments directly in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, foreign (non-U.S.) currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar. Currency rates in foreign countries may fluctuate significantly over short periods of time.

- *Emerging Market Securities Risk.* Securities of issuers based in countries with developing economies (emerging markets) may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries. Emerging markets are subject to greater market volatility, lower trading volume, political and economic instability, uncertainty regarding the existence of trading markets and more governmental limitations on foreign investment than more developed markets.
- *Equity Securities Risk.* The prices of equity securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.
- *Fixed-Income Securities Risk.* All fixed-income securities are subject to two types of risk: credit risk and interest rate risk. Credit risk refers to the possibility that the issuer of a security will be unable to make interest payments and/or repay the principal on its debt. Interest rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up. The prices of fixed-income securities tend to fall as interest rates rise. Securities that have longer maturities tend to fluctuate more in price in response to changes in market interest rates.
- *Floating Rate Bank Loan Risk.* Floating rate loans are frequently rated below investment grade (commonly referred to as "junk bonds") and are generally considered speculative because they present a greater risk of loss, including default, than higher quality debt securities. Moreover, such securities may, under certain circumstances, be less liquid than higher quality debt securities. Although certain floating rate loans are collateralized, there is no guarantee that the value of the collateral will be sufficient to repay the loan. In times of unusual or adverse market, economic or political conditions, floating rate loans may experience higher than normal default rates. In the event of a recession or serious credit event, among other eventualities, the value of floating rate loans may decline significantly. In addition, floating rate loans generally are subject to extended settlement periods. This may impair the ability to sell or realize the full value of a loan.
- *Foreign Securities Risk.* When an ETP invests in foreign markets, it will be subject to risk of loss not typically associated with domestic markets. Loss may result because of less foreign government regulation, less public information and less economic, political and social stability. Loss may also result from the imposition of exchange controls, confiscations and other government restrictions. An ETP will also be subject to the risk of negative foreign currency rate fluctuations. Foreign risks will normally be greater when an ETP invests in emerging markets.



- *High Yield Securities Risk.* High yield securities generally offer a higher current yield than that available from higher grade issues, but typically involve greater risk. Securities rated below investment grade are commonly referred to as "junk bonds." The ability of issuers of high yield securities to make timely payments of interest and principal may be adversely impacted by adverse changes in general economic conditions, changes in the financial condition of their issuers and price fluctuations in response to changes in interest rates. The market value and liquidity of high yield securities may be negatively impacted by adverse publicity and investor perceptions, whether or not based on fundamental analysis, especially in a market characterized by a low volume of trading.
- *Mortgage-Backed Securities Risk.* Mortgage-backed securities have different risk characteristics than traditional debt securities. Although generally the value of fixed-income securities increases during periods of falling interest rates and decreases during periods of rising rates, this is not always the case with mortgage-backed securities. Certain mortgage-backed securities may be more volatile and less liquid than other traditional types of debt securities.
- *Real Estate Investment Risks.* When an ETP invests in companies that invest in real estate it will be exposed to risks inherent to the real estate market, including concentration risk, interest rate risk, leverage risk, property risk and management risk.
- *Small Capitalization Companies Risk.* The Fund invests in the securities of small capitalization companies, the value of which may be more volatile than those of larger companies.

#### *Long/Short Risk*

There is no guarantee that the returns on the Fund's long or short, if any, positions will produce positive returns, and the Fund could lose money if either or both positions produce negative returns. In addition, the Fund may gain enhanced long exposure to certain securities (i.e., obtain investment exposure that exceeds the amount directly invested in those assets, a form of leverage) and, as a result, suffer losses that exceed the amount invested in those assets.

#### *Short Sales Risk*

Short positions introduce more risk to the Fund than long positions (purchases) because the maximum sustainable loss on a security purchased (held long) is limited to the amount paid for the security plus the transaction costs, whereas there is no maximum attainable price of the shorted security. Therefore, in theory, securities sold short have unlimited downside potential.

### *Exchange Traded Product Risk*

The value of a Fund's investment in ETPs is based on stock market prices and the Fund could lose money due to stock market developments, the failure of an active trading market to develop or exchange trading halts or de-listings.

### *Index Risk*

The performance of the Underlying Index and the Fund may deviate from that of the markets the Underlying Index seeks to track due to changes that are reflected in the sector more quickly than the quarterly rebalancing process can track. Securities in the Underlying Index or the Fund's portfolio may also underperform in comparison to the general securities markets.

### *Tracking Error Risk*

The strategy used by the Advisor to match the performance of the Underlying Index may fail to produce the intended results.

### *Market Risk*

The market price of investments owned by the Fund may go up or down, sometimes rapidly or unpredictably.

### *Passive Management Risk*

Unlike many investment companies, the Fund seeks to track its Underlying Index and is not "actively" managed. Therefore, it would not necessarily sell a security because the security's issuer was in financial trouble unless that security is removed from (or was no longer useful in tracking a component of) the Underlying Index.

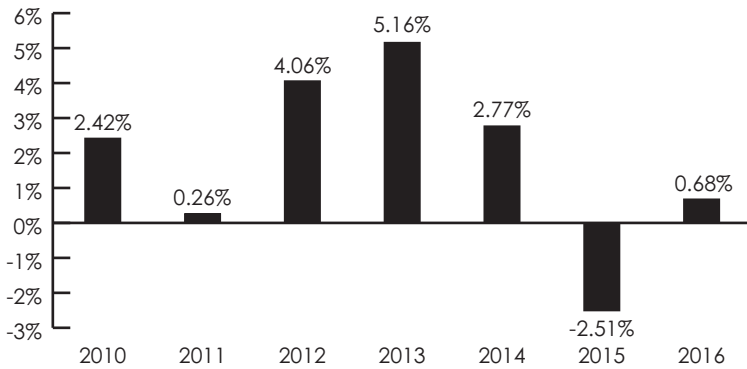
### *Trading Price Risk*

Although it is expected that generally the market price of the Shares will approximate the Fund's NAV, there may be times when the market price in the Secondary Market and the NAV vary significantly.

## Performance Information

The bar chart that follows shows the annual total returns of the Fund for a full calendar year. The table that follows the bar chart shows the Fund's average annual total returns, both before and after taxes. The bar chart and table provide an indication of the risks of investing in the Fund by comparing the Fund's performance from year to year and by showing how the Fund's average annual returns for one calendar year compared with its underlying index and additional broad measures of market performance. The HFRI Fund of Funds Composite Index is an equally weighted hedge fund index including over 650 domestic and off-shore funds of funds. The S&P 500® Index is a broad-based unmanaged index of 500 stocks, which is designed to represent the equity market in general (performance data assumes reinvestment of dividends, but it does not reflect management fees, transaction costs or other expenses).

All returns assume reinvestment of dividends and distributions. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Fund performance current to the most recent month-end is available by calling 1-888-474-7725 or by visiting [www.IQeffs.com](http://www.IQeffs.com).



The Fund's year-to-date total return as of June 30, 2017 was 2.57%.

### Best and Worst Quarter Returns (for the period reflected in the bar chart above)

	Return	Quarter/Year
Highest Return	4.80%	3Q/2010
Lowest Return	-2.67%	3Q/2015

## Average Annual Total Returns as of December 31, 2016

	1 Year	5 Years	Since Inception <sup>(1)</sup>
Returns before taxes	0.68%	2.00%	2.81%
Returns after taxes on distributions <sup>(2)</sup>	0.67%	1.69%	2.51%
Returns after taxes on distributions and sale of Fund shares <sup>(2)</sup>	0.38%	1.43%	2.12%
IQ Hedge Multi-Strategy Index (reflects no deduction for fees, expenses or taxes)	2.01%	3.18%	3.78%
HFRI Fund of Funds Composite Index (reflects no deduction for fees, expenses or taxes)	0.51%	3.42%	3.54% <sup>(3)</sup>
S&P 500® Index (reflects no deduction for fees, expenses or taxes)	11.23%	13.92%	15.75%

- (1) The Fund commenced operations on March 24, 2009.
- (2) After-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown and are not relevant if you hold your shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.
- (3) HFRI Fund of Funds Composite Index is calculated from March 31, 2009. Performance information for the Fund in the table above also includes the performance of HFRI Fund of Funds Composite Index. Because index comparisons are generally calculated as of the end of each month, index performance information under the "Since Inception" heading may not be coincident with the inception date of the Fund. In such instances, index performance is generally presented from the month-end nearest to the inception date of the Fund.

### Investment Advisor

IndexIQ Advisors LLC serves as the investment advisor to the Fund.

### Portfolio Manager

The professionals jointly and primarily responsible for the day-to-day management of the Fund are Paul (Teddy) Fusaro and Greg Barrato. Mr. Fusaro, a Senior Vice President of the Advisor, has been a portfolio manager of the Fund since August 2013 and Mr. Barrato, a Senior Vice President of the Advisor, has been a portfolio manager of the Fund since February 2011.

### Purchase and Sale of Fund Shares

Unlike conventional mutual funds, the Fund issues and redeems Shares on a continuous basis, at net asset value ("NAV"), only in blocks of 50,000 Shares or whole multiples thereof ("Creation Units"). The Fund's Creation Units are issued and redeemed principally in-kind for securities included in the Fund. Retail investors may acquire Shares on NYSE Arca through a broker-dealer.

Shares of the Fund will trade at market price rather than NAV. As such, Shares may trade at a price greater than NAV (premium) or less than NAV (discount).

**Tax Information**

The Fund's distributions are expected to be taxed as ordinary income, qualified dividend income and/or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or individual retirement account. However, subsequent withdrawals from such a tax-advantaged account may be subject to U.S. federal income tax. You should consult your tax advisor about your specific situation.

**Financial Intermediary Compensation**

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Advisor may pay the intermediary for the sale of Fund Shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.



by MainStay Investments

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