

IndexIQ ETFs Tax-Exempt Interest Dividends by State

Calendar Year 2020 Income Tax Information Notice

Federal tax reporting

For the calendar year 2020, a majority of the dividends from net investment income paid to shareholders of the IQ MacKay Municipal Intermediate ETF (MMIT) and the IQ MacKay Municipal Insured ETF (MMIN) are tax-exempt dividends that are treated as interest exempt from federal income taxes under section 103(a) of the Internal Revenue Code. However, the Funds, as discussed in the prospectus, earned taxable income due to market discount on securities held in the Funds' portfolios during the year. This income and your federally tax-exempt income dividends are reported to you on your 1099-DIV tax form. Although the exempt portion of the dividends is exempt from federal income taxation, you must report the total amount of your federally tax-exempt dividends on line 2a of IRS Form 1040.

Alternative minimum tax

If you are subject to the alternative minimum tax (AMT), dividends received from these bonds are considered a tax preference. The percentage of income subject to AMT that MMIT paid to shareholders for the calendar year 2020 is 6.64%. The percentage of income subject to AMT that MMIN paid to shareholders for the calendar year 2020 is 1.74%. You should multiply this percentage by the total tax-exempt dividends you received to determine AMT income for the year.

State tax reporting

Depending on your state's/jurisdiction's tax laws, you may be able to exempt the interest income earned by a mutual fund on securities issued by your state/jurisdiction. You should check with your state/local tax office to determine the exact requirements. The table below shows the percentage of each Fund's dividend earned from securities of each state/jurisdiction. This percentage should be multiplied by the amount of tax-exempt dividends as reported on your 1099-DIV, Box 11.

State	IQ MacKay Municipal Intermediate ETF (MMIT)	IQ MacKay Municipal Insured ETF (MMIN)
Alabama	0.55%	5.23%
Alaska	0.73%	0.00%
Arizona	4.94%	1.09%
Arkansas	1.12%	0.88%
California	9.77%	17.35%
Colorado	2.52%	5.31%
Connecticut	5.38%	2.10%
Delaware	0.20%	0.08%
District of Columbia	0.00%	0.13%
Florida	1.12%	1.98%
Georgia	1.50%	0.01%
Guam	1.09%	0.00%
Hawaii	0.00%	0.00%
Idaho	0.08%	0.00%
Illinois	19.19%	18.04%
Indiana	0.58%	0.37%
Iowa	0.32%	0.39%
Kansas	0.00%	0.26%
Kentucky	1.81%	1.00%
Louisiana	3.08%	3.86%
Maine	0.69%	0.35%
Maryland	0.79%	0.03%
Massachusetts	0.27%	0.53%
Michigan	1.34%	2.10%

Minnesota	0.43%	0.10%
Mississippi	0.00%	1.13%
Missouri	0.31%	0.80%
Montana	0.90%	0.09%
Nebraska	1.82%	0.06%
Nevada	0.92%	0.72%
New Hampshire	0.97%	0.02%
New Jersey	6.19%	3.82%
New Mexico	0.41%	0.00%
New York	8.04%	7.55%
North Carolina	0.72%	1.11%
North Dakota	0.00%	1.05%
Northern Mariana Island	0.00%	0.00%
Ohio	0.00%	1.92%
Oklahoma	0.42%	0.01%
Oregon	0.20%	0.70%
Pennsylvania	5.87%	6.71%
Puerto Rico	1.71%	1.21%
Rhode Island	1.03%	2.37%
South Carolina	1.08%	0.22%
South Dakota	0.00%	0.00%
Tennessee	0.00%	0.05%
Texas	5.41%	5.01%
Utah	2.33%	0.52%
Virgin Islands	0.00%	0.00%
Vermont	0.00%	0.00%
Virginia	0.22%	0.00%
Washington	2.79%	1.18%
West Virginia	0.06%	0.05%
Wisconsin	1.00%	2.15%
Wyoming	0.00%	0.00%
Other	0.12%	0.39%

The tax treatment of dividends varies from state to state and is subject to change. Restrictions may apply to each individual investor. Shareholders are urged to consult with their tax advisor concerning the application of the below information.

Before considering an investment in a Fund, you should understand that you could lose money.

Consider the Fund's investment objectives, risks, and 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 newyorklifeinvestments.com or calling 888-474-7725. Read the prospectus carefully before investing.

IndexIQ, New York Life Investments, New York Life Insurance Company, and their affiliates do not provide legal tax or accounting advice. Please consult your own legal and tax advisors.

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