

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-34412

ETFS SILVER TRUST

(Exact name of registrant as specified in its charter)

New York  
(State or other jurisdiction of  
incorporation or organization)

c/o ETF Securities USA LLC  
48 Wall Street, 11th Floor  
New York, NY  
(Address of principal executive offices)

26-4586763  
(I.R.S. Employer  
Identification No.)

10005  
(Zip Code)

Registrant's telephone number, including area code:  
(212) 918-4954

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
ETFS Physical Silver Shares	NYSE Arca

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months.

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

Aggregate market value of the registrant's Shares outstanding based upon the closing price of a share on June 30, 2010 as reported by the NYSE Arca, Inc. on that date: \$161,559,000.

Number of the registrant's Shares outstanding as of March 8, 2011: 18,200,000

DOCUMENTS INCORPORATED BY REFERENCE: None.

## FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains various “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and within the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements usually include the verbs, “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “projects,” “understands” and other verbs suggesting uncertainty. We remind readers that forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity, or our achievements, or industry results, to be materially different from any future results, performance, levels of activity, or our achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Trust undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Additional significant uncertainties and other factors affecting forward-looking statements are presented in the Risk Factors section herein.

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## PART I

### Item 1. Business

The purpose of the ETFS Silver Trust (the “Trust”), is to own silver transferred to the Trust in exchange for shares issued by the Trust (“Shares”). Each Share represents a fractional undivided beneficial interest in and ownership of the Trust. The assets of the Trust are anticipated to consist solely of silver bullion. The Trust was formed on July 20, 2009 when an initial deposit of silver was made in exchange for the issuance of 2 Baskets (a “Basket” consists of 100,000 Shares).

The sponsor of the Trust is ETF Securities USA LLC (the “Sponsor”). The trustee of the Trust is The Bank of New York Mellon (the “Trustee”) and the custodian is HSBC Bank USA, National Association (the “Custodian”).

The Trust’s Shares at redeemable value grew from \$156,066,265 at December 31, 2009 to \$509,311,012 at December 31, 2010, the Trust’s fiscal year end. Outstanding Shares in the Trust grew from 9,200,000 Shares at December 31, 2009 to 16,700,000 Shares outstanding at December 31, 2010.

The Trust is not managed like a corporation or an active investment vehicle. The Trust has no directors, officers or employees. It does not engage in any activities designed to obtain a profit from or to improve the losses caused by changes in the price of silver. The silver held by the Trust will only be delivered to pay the remuneration due to the Sponsor (the “Sponsor’s Fee”), distributed to Authorized Participants (defined below) in connection with the redemption of Baskets or sold (1) on an as-needed basis to pay Trust expenses not assumed by the Sponsor, (2) in the event the Trust terminates and liquidates its assets, or (3) as otherwise required by law or regulation. The Trust has no fixed termination date.

The Trust is not registered as an investment company under the Investment Company Act of 1940 and is not required to register under such act. The Trust does and will not hold or trade in commodities futures contracts regulated by the Commodity Exchange Act (the “CEA”), as administered by the Commodity Futures Trading Commission (the “CFTC”). The Trust is not a commodity pool for purposes of the CEA and neither the Sponsor nor the Trustee is subject to regulation as a commodity pool operator or a commodity trading advisor in connection with the Shares.

### Trust Objective

The investment objective of the Trust is for the Shares to reflect the performance of the price of silver bullion, less the expenses of the Trust’s operations. The Shares are intended to constitute a simple and cost-effective means of making an investment similar to an investment in silver. An investment in physical silver requires expensive and sometimes complicated arrangements in connection with the assay, transportation, warehousing and insurance of the metal. Traditionally, such expense and complications have resulted in investments in physical silver being efficient only in amounts beyond the reach of many investors.

The Shares are intended to provide institutional and retail investors with a simple and cost-efficient means, with minimal credit risk, of gaining investment benefits similar to those of holding silver bullion. The Shares offer an investment that;

- *Is Easily Accessible.* The Shares trade on the NYSE Arca and provide institutional and retail investors with indirect access to the silver market. The Shares are bought and sold on the NYSE Arca like any other exchange-listed securities. The close of the NYSE Arca trading session is 4:00 PM New York time.
- *Is Relatively Cost Effective.* The Sponsor expects that, for many investors, costs associated with buying and selling the Shares in the secondary market and the payment of the Trust’s ongoing expenses will be lower than the costs associated with buying and selling silver bullion and storing and insuring silver bullion in a traditional allocated silver bullion account.
- *Has Minimal Credit Risk.* The Shares represent an interest in physical bullion owned by the Trust (other than an amount held in unallocated form which is not sufficient to make up a whole bar or which is held temporarily to effect a creation or redemption of Shares). Physical bullion of the Trust in the Custodian’s possession is not subject to borrowing arrangements with third parties. Other than the silver temporarily being held in an unallocated silver account with the Custodian, the physical bullion of the Trust is not subject to counterparty or credit risks. See “Risk Factors—Silver held in the Trust’s unallocated silver account and any Authorized

Participant's unallocated silver account is not segregated from the Custodian's assets...." These contrasts with most other financial products that gain exposure to bullion through the use of derivatives that are subject to counterparty and credit risks.

Investing in the Shares does not insulate the investor from certain risks, including price volatility. See "Risk Factors."

### **Secondary Market Trading**

While the Trust's investment objective is for the Shares to reflect the performance of silver bullion, less the expenses of the Trust, the Shares may trade in the secondary market on the NYSE Arca at prices that are lower or higher relative to their net asset value, which is the value of the Trust's assets less its liabilities ("NAV"), per Share. The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours between the NYSE Arca and the Commodity Exchange, Inc., a subsidiary of New York Mercantile Exchange, Inc. ("COMEX"), and the London bullion markets. While the Shares will trade on the NYSE Arca until 4:00 PM New York time, liquidity in the global silver market is reduced after the close of the COMEX at 1:30 PM New York time. As a result, during this time, trading spreads, and the resulting premium or discount, on the Shares may widen.

### **Valuation of Silver and Computation of Net Asset Value**

On each business day, as promptly as practicable after 4:00 p.m., New York time, on such day (the "Evaluation Time") the Trustee will evaluate the silver held by the Trust and determines the NAV of the Trust. For the purposes of making these calculations, a business day means any day other than a day when NYSE Arca is closed for regular trading.

At the evaluation time, the Trustee values the Trust's silver on the basis of that day's "London PM Fix" (the daily fix of the price of an ounce of silver which starts at 12:00 PM London, England time and is performed in London by the three London Bullion Market Association "LBMA" members of the London silver fix), if no London PM Fix is made on such day or has not been announced by the Evaluation Time, the next most recent London silver price fix determined prior to the Evaluation Time will be used, unless the Sponsor determines that such price is inappropriate as a basis for evaluation. In the event the Sponsor determines that the London PM Fix or such other publicly available price as the Sponsor may deem fairly represents the commercial value of the Trust's silver is not an appropriate basis for evaluation of the Trust's silver, it shall identify an alternative basis for such evaluation to be employed by the Trustee. Neither the Trustee nor the Sponsor shall be liable to any person for the determination that the London PM Fix or such other publicly available price is not appropriate as a basis for evaluation of the Trust's silver or for any determination as to the alternative basis for such evaluation provided that such determination is made in good faith.

Once the value of the silver has been determined, the Trustee will subtract all estimated accrued but unpaid fees (other than the fees accruing for such day on which the valuation takes place that are computed by reference to the value of the Trust or its assets), and other liabilities of the Trust from the total value of the silver and all other assets of the Trust (other than any amounts credited to the Trust's reserve account, if established). The resulting figure is the adjusted net asset value (the "ANAV") of the Trust. The ANAV of the Trust is used to compute the Sponsor's Fee.

All fees accruing for the day on which the valuation takes place that are computed by reference to the value of the Trust or its assets shall be calculated using the ANAV calculated for such day. The Trustee shall subtract from the ANAV the amount of accrued fees so computed for such day and the resulting figure is the NAV of the Trust. The Trustee also determines the NAV per Share by dividing the NAV of the Trust by the number of the Shares outstanding as of the close of trading on the NYSE Arca (which includes the net number of any Shares created or redeemed on such evaluation day).

The Trustee's estimation of accrued but unpaid fees, expenses and liabilities is conclusive upon all persons interested in the Trust and no revision or correction in any computation made under the Trust Agreement will be required by reason of any difference in amounts estimated from those actually paid.

## Trust Expenses

The Trust's only ordinary recurring expense is the Sponsor's Fee. In exchange for the Sponsor's Fee, the Sponsor has agreed to assume the following administrative and marketing expenses incurred by the Trust: the Trustee's monthly fee and out-of-pocket expenses, the Custodian's fee and reimbursement of the Custodian's expenses under the Custody Agreements (defined below), Exchange listing fees, SEC registration fees, printing and mailing costs, audit fees and up to \$100,000 per annum in legal expenses. The Sponsor also paid the costs of the Trust's organization and the initial sale of the Shares, including the applicable SEC registration fees.

The Sponsor's Fee accrues daily at an annualized rate equal to 0.45% of the ANAV of the Trust and is payable monthly in arrears. The Sponsor, from time to time, may temporarily waive all or a portion of the Sponsor's Fee at its discretion for a stated period of time. Presently, the Sponsor has waived a portion of its fee and reduced the Sponsor's Fee to 0.30%. This waiver was in existence for the entirety of 2010. The Sponsor decided to waive a portion of the Sponsor's Fee to reduce the Sponsor's Fee to 0.30% until July 24, 2011. At this point, the Sponsor may renew its fee waiver, waive a larger or smaller portion of its fee or not renew its fee waiver. If, at any point in the future, the Sponsor does not continue its partial fee waiver, the full Sponsor's Fee will accrue and be paid to the Sponsor for subsequent periods. The Sponsor is under no obligation to continue to waive all or part of the Sponsor's Fee on an ongoing basis.

The Sponsor's Fee is paid by delivery of silver to an account maintained by the Custodian for the Sponsor on an unallocated basis. The Trustee will, when directed by the Sponsor, and, in the absence of such direction, may, in its discretion, sell silver in such quantity and at such times as may be necessary to permit payment in cash of Trust expenses not assumed by the Sponsor. The Trustee is authorized to sell silver at such times and in the smallest amounts required to permit such payments as they become due, it being the intention to avoid or minimize the Trust's holdings of assets other than silver. Accordingly, the amount of silver to be sold will vary from time to time depending on the level of the Trust's expenses and the market price of silver. The Custodian has agreed to purchase from the Trust, at the request of the Trustee, silver needed to cover Trust expenses not assumed by the Sponsor at a price at least equal to the price used by the Trustee to determine the value of the silver held by the Trust on the date of the sale.

The Sponsor's Fee for the year ended December 31, 2010 was \$595,965. The Sponsor's Fee was \$206,026 for the period July 20, 2009 through December 31, 2009.

## Deposit of Silver; Issuance of Shares

The Trust creates and redeems Shares from time to time, but only in one or more Baskets of 100,000 Shares. Only registered broker-dealers who have entered into written agreements with the Sponsor and the Trustee (each, an "Authorized Participant") can deposit silver and receive Baskets of Shares in exchange. The creation and redemption of Baskets is only made in exchange for the delivery to the Trust or the distribution by the Trust of the amount of silver represented by the Baskets being created or redeemed, the amount of which is based on the combined NAV of the number of Shares included in the Baskets being created or redeemed determined on the day the order to create or redeem Baskets is properly received.

All silver bullion deposited with the Custodian must be of at least a minimum fineness (or purity) of 999.0 parts per 1,000 (99.9%) and otherwise conform to the rules, regulations practices and customs of the LBMA, including the specifications for a London Good Delivery Bar.

Creation and redemption orders are accepted on "business days" the NYSE Arca is open for regular trading. Settlements of such orders requiring receipt or delivery, or confirmation of receipt or delivery, of silver in the United Kingdom when (1) banks in the United Kingdom, and (2) the London silver markets are regularly open for business. If such banks or the London silver markets are not open for regular business for a full day, such a day will only be a "business day" for settlement purposes if the settlement procedures can be completed by the end of such day.

On any business day, an Authorized Participant may place an order with the Trustee to purchase one or more Baskets. Purchase orders must be placed no later than 3:59:59 p.m. on each business day the NYSE Arca is open for regular trading. A purchase order so received is effective on the date it is received in satisfactory form by the Trustee. By placing a purchase order, an Authorized Participant agrees to deposit silver with the Trust, as described below. Prior to the delivery of Baskets for a purchase order, the Authorized Participant must also have wired to the Trustee the non-refundable transaction fee due for the purchase order (as explained under *Creation and Redemption Transaction Fee* below).

An Authorized Participant who places a purchase order is responsible for crediting its Authorized Participant Unallocated Account with the required silver deposit amount by the third business day in London following the purchase order date. Upon receipt of the silver deposit amount, the Custodian, after receiving appropriate instructions from the Authorized Participant and the Trustee, will transfer on the third business day following the purchase order date the silver deposit amount from the Authorized Participant Unallocated Account to the unallocated silver account of the Trust established with the Custodian by the Unallocated Account Agreement between the Trustee and the Custodian (the "Trust Unallocated Account") and the Trustee will direct DTC to credit the number of Baskets ordered to the Authorized Participant's DTC account. Acting on standing instructions given by the Trustee, the Custodian will transfer the silver deposit amount from the Trust Unallocated Account to the allocated silver account of the Trust established with the Custodian by the Allocated Account Agreement between the Trustee and the Custodian (the "Trust Allocated Account") by transferring silver bars from its inventory to the Trust Allocated Account. The Trust's Unallocated Account Agreement and Allocated Account Agreement are referred to collectively as the "Custody Agreements."

### **Withdrawal of Silver; Redemption of Shares**

The procedures by which an Authorized Participant can redeem one or more Baskets mirror the procedures for the creation of Baskets. On any business day, an Authorized Participant may place an order with the Trustee to redeem one or more Baskets. Redemption orders must be placed no later than 3:59:59 p.m. on each business day the NYSE Arca is open for regular trading. A redemption order so received is effective on the date it is received in satisfactory form by the Trustee. The redemption procedures allow Authorized Participants to redeem Baskets and do not entitle an individual owner of beneficial interests in the Shares (a "Shareholder") to redeem any Shares in an amount less than a Basket, or to redeem Baskets other than through an Authorized Participant.

By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through DTC's book-entry system to the Trust not later than the third business day following the effective date of the redemption order. Prior to the delivery of the redemption distribution for a redemption order, the Authorized Participant must also have wired to the Trustee the non-refundable transaction fee due for the redemption order (as explained under *Creation and Redemption Transaction Fee* below).

The redemption distribution from the Trust will consist of a credit to the redeeming Authorized Participant's Authorized Participant Unallocated Account representing the amount of the silver held by the Trust evidenced by the Shares being redeemed. Fractions of a fine ounce of silver included in the redemption distribution smaller than 0.001 of a fine ounce are disregarded. Redemption distributions are subject to the deduction of any applicable tax or other governmental charges which may be due.

### **Creation and Redemption Transaction Fee**

To compensate the Trustee for services in processing the creation and redemption of Baskets, an Authorized Participant is required to pay a transaction fee to the Trustee of \$500 per order to create or redeem Baskets. An order may include multiple Baskets. The transaction fee may be reduced, increased or otherwise changed by the Trustee with the consent of the Sponsor. The Trustee shall notify DTC of any agreement to change the transaction fee and will not implement any increase in the fee for the redemption of Baskets until 30 days after the date of the notice.

### **The Sponsor**

The Sponsor is a Delaware limited liability company. The Sponsor's office is located at Ordinance House, 31 Pier Road, St. Helier, Jersey JE48PW, Channel Islands. Under the Delaware Limited Liability Company Act and the governing documents of the Sponsor, the sole member of the Sponsor, ETF Securities Limited, is not responsible for the debts, obligations and liabilities of the Sponsor solely by reason of being the sole member of the Sponsor.

#### *The Sponsor's Role*

The Sponsor arranged for the creation of the Trust, the registration of the Shares for their public offering in the United States and the listing of the Shares on the NYSE Arca. The Sponsor has agreed to assume the following administrative and marketing expenses incurred by the Trust: the Trustee's monthly fee and out-of-pocket expenses, the Custodian's fee and the reimbursement of the Custodian's expenses under the Custody Agreements, Exchange listing fees, SEC registration fees, printing and mailing costs, audit fees and up to \$100,000 per annum in legal

expenses. The Sponsor also paid the costs of the Trust's organization and the initial sale of the Shares, including the applicable SEC registration fees.

The Sponsor does not exercise day-to-day oversight over the Trustee or the Custodian. The Sponsor may remove the Trustee and appoint a successor Trustee (i) if the Trustee ceases to meet certain objective requirements (including the requirement that it have capital, surplus and undivided profits of at least \$150 million), (ii) if, having received written notice of a material breach of its obligations under the Trust Agreement, the Trustee has not cured the breach within 30 days, or (iii) if the Trustee refuses to consent to the implementation of an amendment to the Trust's initial Internal Control Over Financial Reporting. The Sponsor also has the right to replace the Trustee during the 90 days following any merger, consolidation or conversion in which the Trustee is not the surviving entity or, in its discretion, on the fifth anniversary of the creation of the Trust or on any subsequent third anniversary thereafter. The Sponsor also has the right to approve any new or additional custodian that the Trustee may wish to appoint.

The Sponsor or one of its affiliates or agents (1) develops a marketing plan for the Trust on an ongoing basis, (2) prepares marketing materials regarding the Shares, including the content of the Trust's website and (3) executes the marketing plan for the Trust.

### **The Trustee**

The Bank of New York Mellon, a banking corporation organized under the laws of the State of New York with trust powers ("BNYM"), serves as the Trustee. BNYM has a trust office at 2 Hanson Place, Brooklyn, New York 11217. BNYM is subject to supervision by the New York State Banking Department and the Board of Governors of the Federal Reserve System. Information regarding creation and redemption Basket composition, NAV of the Trust, transaction fees and the names of the parties that have each executed an Authorized Participant Agreement may be obtained from BNYM. A copy of the Trust Agreement is available for inspection at BNYM's trust office identified above. Under the Trust Agreement, the Trustee is required to maintain capital, surplus and undivided profits of \$150 million.

### *The Trustee's Role*

The Trustee is generally responsible for the day-to-day administration of the Trust, including keeping the Trust's operational records. The Trustee's principal responsibilities include (1) transferring the Trust's silver as needed to pay the Sponsor's Fee in silver (silver transfers are expected to occur approximately monthly in the ordinary course), (2) valuing the Trust's silver and calculating the NAV of the Trust and the NAV per Share, (3) receiving and processing orders from Authorized Participants to create and redeem Baskets and coordinating the processing of such orders with the Custodian and DTC, (4) selling the Trust's silver as needed to pay any extraordinary Trust expenses that are not assumed by the Sponsor, (5) when appropriate, making distributions of cash or other property to Shareholders, and (6) receiving and reviewing reports from or on the Custodian's custody of and transactions in the Trust's silver. The Trustee shall, with respect to directing the Custodian, act in accordance with the instructions of the Sponsor. If the Custodian resigns, the Trustee shall appoint an additional or replacement Custodian selected by the Sponsor. Under the Custody Agreements, the Trustee, the Sponsor and the Sponsor's auditors and inspectors may, only up to twice a year, visit the premises of the Custodian for the purpose of examining the Trust's silver and certain related records maintained by the Custodian. In addition the Trustee has no right to visit the premises of any subcustodian for the purposes of examining the Trust's silver or any records maintained by the subcustodian, and no subcustodian is obligated to cooperate in any review the Trustee may wish to conduct of the facilities, procedures, records or creditworthiness of such subcustodian. The Trustee intends to regularly communicate with the Sponsor to monitor the overall performance of the Trust. The Trustee does not monitor the performance of the Custodian or any other subcustodian other than to review the reports provided by the Custodian pursuant to the Custody Agreements. The Trustee, along with the Sponsor, will liaise with the Trust's legal, accounting and other professional service providers as needed. The Trustee will assist and support the Sponsor with the preparation of all periodic reports required to be filed with the SEC on behalf of the Trust.

The Trustee's monthly fees and out-of-pocket expenses are paid by the Sponsor.

Affiliates of the Trustee may from time to time act as Authorized Participants or purchase or sell silver or Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion.

## **The Custodian**

HSBC Bank, N.A. (“HSBC”) serves as the Custodian of the Trust’s silver. HSBC is a national banking association organized under the laws of the United States of America. HSBC is subject to supervision by the Federal Reserve Bank of New York and the Federal Deposit Insurance Corporation. HSBC’s custodian office is located at 8 Canada Square, London, E14 5HQ, United Kingdom. In addition to supervision and examination by the US federal banking authorities, HSBC’s London custodian operations are subject to supervision by the Financial Services Authority, an independent non-governmental which exercises statutory regulatory power under the United Kingdom Financial Services and Markets Act 2000 and which regulates the major participating members of the LBMA in the United Kingdom.

### *The Custodian’s Role*

The Custodian is responsible for safekeeping for the Trust silver deposited with it by Authorized Participants in connection with the creation of Baskets. The Custodian is also responsible for selecting subcustodians, if any. The Custodian facilitates the transfer of silver in and out of the Trust through the unallocated silver accounts it will maintain for each Authorized Participant and the unallocated and allocated silver accounts it will maintain for the Trust. The Custodian holds at its London, England vault premises the Trust’s allocated silver. The Custodian is responsible for allocating specific plates of silver bullion to the Trust Allocated Account. The Custodian provides the Trustee with regular reports detailing the silver transfers in and out of the Trust’s unallocated and allocated silver accounts and identifying the silver plates held in the Trust’s allocated silver account.

The Custodian’s fees and expenses under the Custody Agreements are paid by the Sponsor.

The Custodian and its affiliates may from time to time act as Authorized Participants or purchase or sell silver or Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion.

## **Description of the Shares**

### *General*

The Trustee is authorized under the Trust Agreement to create and issue an unlimited number of Shares. The Trustee creates Shares only in Baskets (a Basket equals a block of 100,000 Shares) and only upon the order of an Authorized Participant. The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust and have no par value. Any creation and issuance of Shares above the amount registered on the Trust’s then-current and effective registration statement with the SEC will require the registration of such additional Shares.

### *Description of Limited Rights*

The Shares do not represent a traditional investment and you should not view them as similar to “shares” of a corporation operating a business enterprise with management and a board of directors. Shareholders do not have the statutory rights normally associated with the ownership of shares of a corporation, including, for example, the right to bring “oppression” or “derivative” actions. All Shares are of the same class with equal rights and privileges. Each Share is transferable, is fully paid and non-assessable and entitles the holder to vote on the limited matters upon which Shareholders may vote under the Trust Agreement. The Shares do not entitle their holders to any conversion or pre-emptive rights, or, except as provided below, any redemption rights or rights to distributions.

### *Distributions*

If the Trust is terminated and liquidated, the Trustee will distribute to the Shareholders any amounts remaining after the satisfaction of all outstanding liabilities of the Trust and the establishment of such reserves for applicable taxes, other governmental charges and contingent or future liabilities as the Trustee shall determine. Shareholders of record on the record date fixed by the Trustee for a distribution will be entitled to receive their pro rata portion of any distribution.

### *Voting and Approvals*

Under the Trust Agreement, Shareholders have no voting rights, except in limited circumstances. The Trustee may terminate the Trust upon the agreement of Shareholders owning at least 75% of the outstanding Shares. In addition, certain amendments to the Trust Agreement require advance notice to the Shareholders before the effectiveness of such amendments, but no Shareholder vote or approval is required for any amendment to the Trust Agreement.

The Shares may only be redeemed by or through an Authorized Participant and only in Baskets.

*Book-Entry Form*

Individual certificates will not be issued for the Shares. Instead, one or more global certificates is deposited by the Trustee with DTC and registered in the name of Cede & Co., as nominee for DTC. The global certificates evidence all of the Shares outstanding at any time. Under the Trust Agreement, Shareholders are limited to (1) participants in DTC such as banks, brokers, dealers and trust companies (DTC Participants), (2) those who maintain, either directly or indirectly, a custodial relationship with a DTC Participant (Indirect Participants), and (3) those banks, brokers, dealers, trust companies and others who hold interests in the Shares through DTC Participants or Indirect Participants. The Shares are only transferable through the book-entry system of DTC. Shareholders who are not DTC Participants may transfer their Shares through DTC by instructing the DTC Participant holding their Shares (or by instructing the Indirect Participant or other entity through which their Shares are held) to transfer the Shares. Transfers will be made in accordance with standard securities industry practice.

**Custody of the Trust's Silver**

Custody of the silver bullion deposited with and held by the Trust is provided by the Custodian at its London, England vaults or by subcustodians selected by the Custodian on a temporary basis. The Custodian is a market maker, clearer and approved weigher under the rules of the LBMA.

The Custodian is the custodian of the silver bullion credited to Trust Allocated Account in accordance with the Custody Agreements. The Custodian segregates the silver bullion credited to the Trust Allocated Account from any other precious metal it holds or holds for others by entering appropriate entries in its books and records.

The Custodian, as instructed by the Trustee on behalf of the Trust, is authorized to accept, on behalf of the Trust, deposits of silver in unallocated form. Acting on standing instructions specified in the Custody Agreements, the Custodian allocates silver deposited in unallocated form with the Trust by selecting bars of silver bullion for deposit to the Trust Allocated Account. All silver bullion allocated to the Trust must conform to the rules, regulations, practices and customs of the LBMA.

The process of withdrawing silver from the Trust for a redemption of a Basket is the same general procedure as for depositing silver with the Trust for a creation of a Basket, only in reverse. Each transfer of silver between the Trust Allocated Account and the Trust Unallocated Account connected with a creation or redemption of a Basket may result in a small amount of silver being held in the Trust Unallocated Account after the completion of the transfer. In making deposits and withdrawals between the Trust Allocated Account and the Trust Unallocated Account, the Custodian will use commercially reasonable efforts to minimize the amount of silver held in the Trust Unallocated Account as of the close of each business day. See *"Creation and Redemption of Shares."*

**United States Federal Income Tax Consequences**

The following discussion of the material US federal income tax consequences that applies to the purchase, ownership and disposition of Shares by a US Shareholder (as defined below), and certain US federal income tax consequences that generally may apply to an investment in Shares by a Non-US Shareholder (as defined below). Based on the United States Internal Revenue Code of 1986, as amended (the "Code"), United States Treasury Regulations ("Treasury Regulations") promulgated under the Code and judicial and administrative interpretations of the Code, all as in effect on this date and all of which are subject to change either prospectively or retroactively. The tax treatment of Shareholders may vary depending upon their own particular circumstances. Certain Shareholders (including broker-dealers, traders, banks and other financial institutions, insurance companies, real estate investment trusts, tax-exempt entities, Shareholders whose functional currency is not the US dollar or other investors with special circumstances) may be subject to special rules not discussed below. In addition, the following discussion applies only to investors who hold Shares as "capital assets" within the meaning of Code section 1221 and not as part of a straddle, hedging transaction or a conversion or constructive sale transaction. Moreover, the discussion below does not address the effect of any state, local or foreign tax law or any transfer tax on an owner of Shares. Purchasers of Shares are urged to consult their own tax advisors with respect to all federal, state, local and foreign tax law or any transfer tax considerations potentially applicable to their investment in Shares.

For purposes of this discussion, a "US Shareholder" is a Shareholder that is:

- An individual who is treated as a citizen or resident of the United States for US federal income tax purposes;
- A corporation (or other entity treated as a corporation for US federal tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof;

- An estate, the income of which is includible in gross income for US federal income tax purposes regardless of its source; or
- A trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust.

A Shareholder that is not a US Shareholder as defined above (other than a partnership, or an entity treated as a partnership for US federal tax purposes) is generally considered a “Non-US Shareholder” for purposes of this discussion. For US federal income tax purposes, the treatment of any beneficial owner of an interest in a partnership, including any entity treated as a partnership for US federal income tax purposes, will generally depend upon the status of the partner and upon the activities of the partnership. Partnerships and partners in partnerships should consult their tax advisors about the US federal income tax consequences of purchasing, owning and disposing of Shares.

#### *Taxation of the Trust*

The Trust is classified as a “grantor trust” for US federal income tax purposes. As a result, the Trust itself is not subject to US federal income tax. Instead, the Trust’s income and expenses will “flow through” to the Shareholders, and the Trustee reports the Trust’s income, gains, losses and deductions to the Internal Revenue Service (“IRS”) on that basis.

#### *Taxation of US Shareholders*

Shareholders generally are treated, for US federal income tax purposes, as if they directly owned a pro rata share of the underlying assets held in the Trust. Shareholders are also treated as if they directly received their respective pro rata Shares of the Trust’s income, if any, and as if they directly incurred their respective pro rata Shares of the Trust’s expenses. In the case of a Shareholder that purchases Shares for cash, its initial tax basis in its pro rata share of the assets held in the Trust at the time it acquires its Shares is equal to its cost of acquiring the Shares. In the case of a Shareholder that acquires its Shares as part of a creation, the delivery of silver to the Trust in exchange for the underlying silver represented by the Shares is not a taxable event to the Shareholder, and the Shareholder’s tax basis and holding period for the Shareholder’s pro rata share of the silver held in the Trust are the same as its tax basis and holding period for the silver delivered in exchange therefore (except to the extent of any cash contributed for such Shares). For purposes of this discussion, it is assumed that all of a Shareholder’s Shares are acquired on the same date and at the same price per Share. Shareholders that hold multiple lots of Shares, or that are contemplating acquiring multiple lots of Shares, should consult their tax advisors as to the determination of the tax basis and holding period for the underlying silver related to such Shares.

When the Trust sells silver, for example to pay expenses, a Shareholder generally will recognize gain or loss in an amount equal to the difference between (1) the Shareholder’s pro rata share of the amount realized by the Trust upon the sale and (2) the Shareholder’s tax basis for its pro rata share of the silver that was sold, which gain or loss will generally be long-term or short-term capital gain or loss, depending upon whether the Shareholder has a holding period in its Shares of longer than one year. A Shareholder’s tax basis for its share of any silver sold by the Trust generally will be determined by multiplying the Shareholder’s total basis for its share of all of the silver held in the Trust immediately prior to the sale, by a fraction the numerator of which is the amount of silver sold, and the denominator of which is the total amount of the silver held in the Trust immediately prior to the sale. After any such sale, a Shareholder’s tax basis for its pro rata share of the silver remaining in the Trust will be equal to its tax basis for its share of the total amount of the silver held in the Trust immediately prior to the sale, less the portion of such basis allocable to its share of the silver that was sold.

Upon a Shareholder’s sale of some or all of its Shares, the Shareholder will be treated as having sold the portion of its pro rata share of the silver held in the Trust at the time of the sale that is attributable to the Shares sold. Accordingly, the Shareholder generally will recognize gain or loss on the sale in an amount equal to the difference between (1) the amount realized pursuant to the sale of the Shares, and (2) the Shareholder’s tax basis for the portion of its pro rata share of the silver held in the Trust at the time of sale that is attributable to the Shares sold, as determined in the manner described in the preceding paragraph.

Redemption of some or all of a Shareholder’s Shares in exchange for the underlying silver represented by the Shares redeemed generally will not be a taxable event to the Shareholder. The Shareholder’s tax basis for the silver received in the redemption generally will be the same as the Shareholder’s tax basis for the portion of its pro rata share of the silver held in the Trust immediately prior to the redemption that is attributable to the Shares redeemed. The Shareholder’s holding period with respect to the silver received should include the period during which the

Shareholder held the Shares redeemed. A subsequent sale of the silver received by the Shareholder will be a taxable event.

After any sale or redemption of less than all of a Shareholder's Shares, the Shareholder's tax basis for its pro rata share of the silver held in the Trust immediately after such sale or redemption generally will be equal to its tax basis for its share of the total amount of the silver held in the Trust immediately prior to the sale or redemption, less the portion of such basis which is taken into account in determining the amount of gain or loss recognized by the Shareholder upon such sale or, in the case of a redemption, which is treated as the basis of the silver received by the Shareholder in the redemption.

In addition, recent legislation effective after December 31, 2012, if applicable to a Shareholder, would impose a new 3.8% Medicare contribution tax on net investment income. Shareholders should consult their tax advisor regarding this tax.

An Authorized Participant and other investors may be able to re-invest, on a tax-deferred basis, in-kind redemption proceeds received from exchange-traded products that are substantially similar to the Trust in the Trust's Shares. Authorized Participants and other investors should consult their tax advisors as to whether and under what circumstances the reinvestment in the Shares of proceeds from substantially similar exchange-traded products can be accomplished on a tax-deferred basis.

#### *Maximum 28% Long-Term Capital Gains Tax Rate for US Shareholders Who Are Individuals*

Under current law, gains recognized by individuals from the sale of "collectibles," including silver bullion, held for more than one year are taxed at a maximum federal income tax rate of 28%, rather than the 15% rate applicable to most other long-term capital gains. For these purposes, gain recognized by an individual upon the sale of an interest in a trust that holds collectibles is treated as gain recognized on the sale of collectibles, to the extent that the gain is attributable to unrealized appreciation in value of the collectibles held by the trust. Therefore, any gain recognized by an individual US Shareholder attributable to a sale of Shares held for more than one year, or attributable to the Trust's sale of any silver bullion which the Shareholder is treated (through its ownership of Shares) as having held for more than one year, generally will be taxed at a maximum rate of 28%. The tax rates for capital gains recognized upon the sale of assets held by an individual US Shareholder for one year or less or by a taxpayer other than an individual US taxpayer are generally the same as those at which ordinary income is taxed.

#### *Brokerage Fees and Trust Expenses*

Any brokerage or other transaction fee incurred by a Shareholder in purchasing Shares is treated as part of the Shareholder's tax basis in the underlying assets of the Trust. Similarly, any brokerage fee incurred by a Shareholder in selling Shares reduces the amount realized by the Shareholder with respect to the sale.

Shareholders are required to recognize gain or loss upon a sale of silver by the Trust (as discussed above), even though some or all of the proceeds of such sale are used by the Trustee to pay Trust expenses. Shareholders may deduct their respective pro rata Shares of each expense incurred by the Trust to the same extent as if they directly incurred the expense. Shareholders who are individuals, estates or trusts, however, may be required to treat some or all of the expenses of the Trust, to the extent that such expenses may be deducted, as miscellaneous itemized deductions. Individuals may deduct certain miscellaneous itemized deductions only to the extent they exceed 2% of adjusted gross income. In addition, such deductions may be subject to further limitations under applicable provisions of the Code, and may not be deductible at all for alternative minimum tax purposes.

#### *Investment by Regulated Investment Companies*

Mutual funds and other investment vehicles which are "regulated investment companies" within the meaning of Code section 851 should consult with their tax advisors concerning (1) the likelihood that an investment in Shares, although they are a "security" within the meaning of the Investment Company Act of 1940, may be considered an investment in the underlying silver for purposes of Code section 851(b), and (2) the extent to which an investment in Shares might nevertheless be consistent with preservation of their qualification under Code section 851.

#### *United States Information Reporting and Backup Withholding for US and Non-US Shareholders*

The Trustee or the appropriate broker files certain information returns with the IRS, and provides certain tax-related information to Shareholders, in accordance with applicable Treasury Regulations. Each Shareholder will be provided with information regarding its allocable portion of the Trust's annual income (if any) and expenses.

A US Shareholder may be subject to US backup withholding tax in certain circumstances unless it provides its taxpayer identification number and complies with certain certification procedures. Non-US Shareholders may have

to comply with certification procedures to establish that they are not a US person in order to avoid the information reporting and backup withholding tax requirements.

The amount of any backup withholding is allowed as a credit against a Shareholder's US federal income tax liability and may entitle such a Shareholder to a refund, provided that the required information is furnished to the IRS.

#### *Income Taxation of Non-US Shareholders*

The Trust does not expect to generate taxable income except for gain (if any) upon the sale of silver. A Non-US Shareholder generally is not subject to US federal income tax with respect to gain recognized upon the sale or other disposition of Shares, or upon the sale of silver by the Trust, unless (1) the Non-US Shareholder is an individual and is present in the United States for 183 days or more during the taxable year of the sale or other disposition, and the gain is treated as being from United States sources; or (2) the gain is effectively connected with the conduct by the Non-US Shareholder of a trade or business in the United States.

#### *Taxation in Jurisdictions other than the United States*

Prospective purchasers of Shares that are based in or acting out of a jurisdiction other than the United States are advised to consult their own tax advisers as to the tax consequences, under the laws of such jurisdiction (or any other jurisdiction not being the United States to which they are subject), of their purchase, holding, sale and redemption of or any other dealing in Shares and, in particular, as to whether any value added tax, other consumption tax or transfer tax is payable in relation to such purchase, holding, sale, redemption or other dealing.

#### **ERISA and Related Considerations**

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and/or Code Section 4975 impose certain requirements on certain employee benefit plans and other plans and arrangements, including individual retirement accounts and annuities, Keogh plans, and certain commingled investment vehicles or insurance company general or separate accounts in which such plans or arrangements are invested (collectively, "Plans"), and on persons who are fiduciaries with respect to the investment of "plan assets" of a Plan. Government plans and some church plans are not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, but may be subject to substantially similar rules under other federal law, or under state or local law ("Other Law").

In contemplating an investment of a portion of Plan assets in Shares, the Plan fiduciary responsible for making such investment should carefully consider, taking into account the facts and circumstances of the Plan and the "Risk Factors" discussed above and whether such investment is consistent with its fiduciary responsibilities under ERISA or Other Law, including, but not limited to: (1) whether the investment is permitted under the plan's governing documents, (2) whether the fiduciary has the authority to make the investment, (3) whether the investment is consistent with the plan's funding objectives, (4) the tax effects of the investment on the Plan, and (5) whether the investment is prudent considering the factors discussed in this report. In addition, ERISA and Code Section 4975 prohibit a broad range of transactions involving assets of a plan and persons who are "parties in interest" under ERISA or "disqualified persons" under Section 4975 of the Code. A violation of these rules may result in the imposition of significant excise taxes and other liabilities. Plans subject to Other Law may be subject to similar restrictions.

It is anticipated that the Shares will constitute "publicly-held offered securities" as defined in the Department of Labor "Plan Asset Regulations," §2510.3-101 (b)(2). Accordingly, pursuant to the Plan Asset Regulations, Shares purchased by a Plan, and not an interest in the underlying assets held in the Trust, should be treated as "plan assets" of the Plan, for purposes of applying the "fiduciary responsibility" and "prohibited transaction" rules of ERISA and the Code. Fiduciaries of plans subject to Other Law should consult legal counsel to determine whether there would be a similar result under the Other Law.

#### *Investment by Certain Retirement Plans*

Code section 408(m) provides that the acquisition of a "collectible" by an individual retirement account (IRA) or a participant-directed account maintained under any plan that is tax-qualified under Code section 401(a) is treated as a taxable distribution from the account to the owner of the IRA, or to the participant for whom the plan account is maintained, of an amount equal to the cost to the account of acquiring the collectible. The IRS has issued private letter rulings to the effect that a purchase of Shares in a trust holding precious metals by an IRA, or by a participant-directed account under a Code section 401(a) plan, will not be treated as resulting in a taxable distribution to the IRA owner or plan participant under Code section 408(m). However, if any of the Shares so purchased are distributed from the IRA or plan account to the IRA owner or plan participant, or if any silver received by such IRA or plan account upon the redemption of any of the Shares purchased by it, the Shares or silver so distributed will be

subject to federal income tax in the year of distribution, to the extent provided under the applicable provisions of Code sections 408(d), 408(m) or 402.

#### **Item 1A. Risk Factors**

You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included in this report, including the Trust's financial statements and the related notes.

*The value of the Shares relates directly to the value of the silver held by the Trust and fluctuations in the price of silver could materially adversely affect an investment in the Shares.*

The Shares are designed to mirror as closely as possible the performance of the price of silver bullion, and the value of the Shares relates directly to the value of the silver held by the Trust, less the Trust's liabilities (including estimated accrued but unpaid expenses). The price of silver has fluctuated widely over the past several years. Several factors may affect the price of silver, including:

- A change in economic conditions, such as a recession, can adversely affect the price of silver. Silver is used in a wide range of industrial applications, and an economic downturn could have a negative impact on its demand and, consequently, its price and the price of the Shares;
- Investors' expectations with respect to the rate of inflation;
- Currency exchange rates;
- Interest rates;
- Investment and trading activities of hedge funds and commodity funds; and
- Global or regional political, economic or financial events and situations.

In addition, investors should be aware that there is no assurance that silver will maintain its long-term value in terms of purchasing power in the future. In the event that the price of silver declines, the Sponsor expects the value of an investment in the Shares to decline proportionately.

*The Shares may trade at a price which is at, above or below the NAV per Share and any discount or premium in the trading price relative to the NAV per Share may widen as a result of non-concurrent trading hours between the NYSE Arca and London and COMEX.*

The Shares may trade at, above or below the NAV per Share. The NAV per Share fluctuates with changes in the market value of the Trust's assets. The trading price of the Shares fluctuates in accordance with changes in the NAV per Share as well as market supply and demand. The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours between the NYSE Arca and the major silver markets. While the Shares trade on the NYSE Arca until 4:00 PM New York time, liquidity in the market for silver is reduced after the close of the major world silver markets, including London and the COMEX. As a result, during this time, trading spreads, and the resulting premium or discount on the Shares, may widen.

*Purchasing activity in the silver market associated with the purchase of Baskets from the Trust may cause a temporary increase in the price of silver. This increase may adversely affect an investment in the Shares.*

Purchasing activity associated with acquiring the silver required for deposit into the Trust in connection with the creation of Baskets may temporarily increase the market price of silver, which will result in higher prices for the Shares. Temporary increases in the market price of silver may also occur as a result of the purchasing activity of other market participants. Other market participants may attempt to benefit from an increase in the market price of silver that may result from increased purchasing activity of silver connected with the issuance of Baskets. Consequently, the market price of silver may decline immediately after Baskets are created. If the price of silver declines, the trading price of the Shares may also decline.

*The Shares and their value could decrease if unanticipated operational or trading problems arise.*

There may be unanticipated problems or issues with respect to the mechanics of the Trust's operations and the trading of the Shares that could have a material adverse effect on an investment in the Shares. In addition, although the Trust is not actively "managed" by traditional methods, to the extent that unanticipated operational or trading problems or issues arise, the Sponsor's past experience and qualifications may not be suitable for solving these problems or issues.

*If the process of creation and redemption of Baskets encounters any unanticipated difficulties, the possibility for arbitrage transactions intended to keep the price of the Shares closely linked to the price of silver may not exist and, as a result, the price of the Shares may fall.*

If the processes of creation and redemption of Shares (which depend on timely transfers of silver to and by the Custodian) encounter any unanticipated difficulties, potential market participants who would otherwise be willing to purchase or redeem Baskets to take advantage of any arbitrage opportunity arising from discrepancies between the price of the Shares and the price of the underlying silver may not take the risk that, as a result of those difficulties, they may not be able to realize the profit they expect. If this is the case, the liquidity of Shares may decline and the price of the Shares may fluctuate independently of the price of silver and may fall.

*The liquidity of the Shares may be affected by the withdrawal from participation of one or more Authorized Participants.*

In the event that one or more Authorized Participants having substantial interests in Shares or otherwise responsible for a significant portion of the Shares' daily trading volume on the Exchange withdraw from participation, the liquidity of the Shares will likely decrease which could adversely affect the market price of the Shares and result in your incurring a loss on your investment.

*Shareholders do not have the protections associated with ownership of Shares in an investment company registered under the Investment Company Act of 1940 or the protections afforded by the Commodity Exchange Act ("CEA").*

The Trust is not registered as an investment company under the Investment Company Act of 1940 and is not required to register under such act. Consequently, Shareholders do not have the regulatory protections provided to investors in investment companies. The Trust does and will not hold or trade in commodity futures contracts regulated by the CEA, as administered by the CFTC. Furthermore, the Trust is not a commodity pool for purposes of the CEA, and neither the Sponsor nor the Trustee is subject to regulation by the CFTC as a commodity pool operator or a commodity trading advisor in connection with the Shares. Consequently, Shareholders do not have the regulatory protections provided to investors in CEA-regulated instruments or commodity pools.

*The Trust may be required to terminate and liquidate at a time that is disadvantageous to Shareholders.*

If the Trust is required to terminate and liquidate, such termination and liquidation could occur at a time which is disadvantageous to Shareholders, such as when silver prices are lower than the silver prices at the time when Shareholders purchased their Shares. In such a case, when the Trust's silver is sold as part of the Trust's liquidation, the resulting proceeds distributed to Shareholders will be less than if silver prices were higher at the time of sale.

*The lack of an active trading market for the Shares may result in losses on investment at the time of disposition of the Shares.*

Although Shares are listed for trading on the NYSE Arca, it cannot be assumed that an active trading market for the Shares will develop or be maintained. If an investor needs to sell Shares at a time when no active market for Shares exists, such lack of an active market will most likely adversely affect the price the investor receives for the Shares (assuming the investor is able to sell them).

*Shareholders do not have the rights enjoyed by investors in certain other vehicles.*

As interests in an investment trust, the Shares have none of the statutory rights normally associated with the ownership of Shares of a corporation (including, for example, the right to bring “oppression” or “derivative” actions). In addition, the Shares have limited voting and distribution rights (for example, Shareholders do not have the right to elect directors and do not receive dividends).

*An investment in the Shares may be adversely affected by competition from other methods of investing in silver.*

The Trust competes with other financial vehicles, including traditional debt and equity securities issued by companies in the silver industry and other securities backed by or linked to silver, direct investments in silver and investment vehicles similar to the Trust. Market and financial conditions, and other conditions beyond the Sponsor’s control, may make it more attractive to invest in other financial vehicles or to invest in silver directly, which could limit the market for the Shares and reduce the liquidity of the Shares.

*The price of silver may be affected by the sale of ETVs tracking silver markets.*

To the extent existing exchange traded vehicles (“ETVs”) tracking silver markets represent a significant proportion of demand for physical silver bullion, large redemptions of the securities of these ETVs could negatively affect physical silver bullion prices and the price and NAV of the Shares.

*Crises may motivate large-scale sales of silver which could decrease the price of silver and adversely affect an investment in the Shares.*

The possibility of large-scale distress sales of silver in times of crisis may have a short-term negative impact on the price of silver and adversely affect an investment in the Shares. For example, the 2008 financial credit crisis resulted in significantly depressed prices of silver largely due to a slowdown in demand in silver for industrial use and forced sales and deleveraging from institutional investors. Crises in the future may impair silver’s price performance which would, in turn, adversely affect an investment in the Shares.

*Several factors may have the effect of causing a decline in the prices of silver and a corresponding decline in the price of Shares. Among them:*

A significant increase in silver hedging activity by silver producers. Should there be an increase in the level of hedge activity of silver producing companies, it could cause a decline in world silver prices, adversely affecting the price of the Shares.

A significant change in the attitude of speculators and investors towards silver. Should the speculative community take a negative view towards silver, it could cause a decline in world silver prices, negatively impacting the price of the Shares.

A widening of interest rate differentials between the cost of money and the cost of silver could negatively affect the price of silver which, in turn, could negatively affect the price of the Shares.

A combination of rising money interest rates and a continuation of the current low cost of borrowing silver could improve the economics of selling silver forward. This could result in an increase in hedging by silver mining companies and short selling by speculative interests, which would negatively affect the price of silver. Under such circumstances, the price of the Shares would be similarly affected.

*The Trust’s silver may be subject to loss, damage, theft or restriction on access.*

There is a risk that part or all of the Trust’s silver could be lost, damaged or stolen. Access to the Trust’s silver could also be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Any of these events may adversely affect the operations of the Trust and, consequently, an investment in the Shares.

*The Trust’s lack of insurance protection and the Shareholders’ limited rights of legal recourse against the Trust, the Trustee, the Sponsor, the Custodian and any subcustodian exposes the Trust and its Shareholders to the risk of loss of the Trust’s silver for which no person is liable.*

The Trust does not insure its silver. The Custodian maintains insurance with regard to its business on such terms and conditions as it considers appropriate in connection with its custodial obligations and is responsible for all costs, fees and expenses arising from the insurance policy or policies. The Trust is not a beneficiary of any such insurance and does not have the ability to dictate the existence, nature or amount of coverage. Therefore, Shareholders cannot be assured that the Custodian maintains adequate insurance or any insurance with respect to the silver held by the Custodian on behalf of the Trust. In addition, the Custodian and the Trustee do not require any direct or indirect subcustodians to be insured or bonded with respect to their custodial activities or in respect of the silver held by them on behalf of the Trust. Further, Shareholders' recourse against the Trust, the Trustee and the Sponsor, under New York law, the Custodian, under English law, and any subcustodians under the law governing their custody operations is limited. Consequently, a loss may be suffered with respect to the Trust's silver which is not covered by insurance and for which no person is liable in damages.

*The Custodian's limited liability under the Custody Agreements and English law may impair the ability of the Trust to recover losses concerning its silver and any recovery may be limited, even in the event of fraud, to the market value of the silver at the time the fraud is discovered.*

The liability of the Custodian is limited under the Custody Agreements. Under the Custody Agreements between the Trustee and the Custodian which establish the Trust Unallocated Account and the Trust Allocated Account, the Custodian is only liable for losses that are the direct result of its own negligence, fraud or willful default in the performance of its duties. Any such liability is further limited, in the case of the Allocated Account Agreement, to the market value of the silver held in the Trust Allocated Account at the time such negligence, fraud or willful default is discovered by the Custodian and, in the case of the Unallocated Account Agreement, to the amount of silver credited to the Trust Unallocated Account at the time such negligence, fraud or willful default is discovered by the Custodian. Under each Authorized Participant Unallocated Bullion Account Agreement (between the Custodian and an Authorized Participant), the Custodian is not contractually or otherwise liable for any losses suffered by any Authorized Participant or Shareholder that are not the direct result of its own gross negligence, fraud or willful default in the performance of its duties under such agreement, and in no event will its liability exceed the market value of the balance in the Authorized Participant Unallocated Account at the time such gross negligence, fraud or willful default is discovered by the Custodian. In addition, the Custodian will not be liable for any delay in performance or any non-performance of any of its obligations under the Allocated Account Agreement, the Unallocated Account Agreement or the Authorized Participant Unallocated Bullion Account Agreement by reason of any cause beyond its reasonable control, including acts of God, war or terrorism. As a result, the recourse of the Trustee or the investor, under English law, is limited. Furthermore, under English common law, the Custodian or any subcustodian will not be liable for any delay in the performance or any non-performance of its custodial obligations by reason of any cause beyond its reasonable control.

*The obligations of the Custodian and English subcustodians are governed by English law, which may frustrate the Trust in attempting to receive legal redress against the Custodian or any subcustodian concerning its silver.*

The obligations of the Custodian under the Custody Agreements and the Authorized Participant Unallocated Bullion Account Agreement are governed by English law. The Custodian may enter into arrangements with English subcustodians, which arrangements may also be governed by English law. The Trust is a New York common law trust. Any United States, New York or other court situated in the United States may have difficulty interpreting English law (which, insofar as it relates to custody arrangements, is largely derived from court rulings rather than statute), LBMA rules or the customs and practices in the London custody market. It may be difficult or impossible for the Trust to sue a subcustodian in a United States, New York or other court situated in the United States. In addition, it may be difficult, time consuming and/or expensive for the Trust to enforce in a foreign court a judgment rendered by a United States, New York or other court situated in the United States.

*The Trust may not have adequate sources of recovery if its silver is lost, damaged, stolen or destroyed.*

If the Trust's silver is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Trust, the responsible party may not have the financial resources sufficient to satisfy the Trust's claim. For example, as to a particular event of loss, the only source of recovery for the Trust might be limited to the Custodian or one or more subcustodians or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Trust.

*Shareholders and Authorized Participants lack the right under the Custody Agreements to assert claims directly against the Custodian and any subcustodian.*

Neither the Shareholders nor any Authorized Participant have a right under the Custody Agreements to assert a claim of the Trustee against the Custodian or any subcustodian. Claims under the Custody Agreements may only be asserted by the Trustee on behalf of the Trust.

*Because neither the Trustee nor the Custodian oversees or monitors the activities of subcustodians who may hold the Trust's silver, failure by the subcustodians to exercise due care in the safekeeping of the Trust's silver could result in a loss to the Trust.*

Under the Allocated Account Agreement, the Custodian may appoint from time to time one or more subcustodians to hold the Trust's silver on a temporary basis pending delivery to the Custodian. The subcustodians which the Custodian currently uses are LBMA market-making members that provide bullion vaulting and clearing services to third parties. The Custodian is required under the Allocated Account Agreement to use reasonable care in appointing its subcustodians, making the Custodian liable only for negligence or bad faith in the selection of such subcustodians, and has an obligation to use commercially reasonable efforts to obtain delivery of the Trust's silver from any subcustodians appointed by the Custodian. Otherwise, the Custodian is not liable for the acts or omissions of its subcustodians. These subcustodians may in turn appoint further subcustodians, but the Custodian is not responsible for the appointment of these further subcustodians. The Custodian does not undertake to monitor the performance by subcustodians of their custody functions or their selection of further subcustodians. The Trustee does not monitor the performance of the Custodian other than to review the reports provided by the Custodian pursuant to the Custody Agreements and does not undertake to monitor the performance of any subcustodian. Furthermore, the Trustee may have no right to visit the premises of any subcustodian for the purposes of examining the Trust's silver or any records maintained by the subcustodian, and no subcustodian will be obligated to cooperate in any review the Trustee may wish to conduct of the facilities, procedures, records or creditworthiness of such subcustodian. In addition, the ability of the Trustee to monitor the performance of the Custodian may be limited because under the Allocated Account Agreement and the Unallocated Account Agreement the Trustee has only limited rights to visit the premises of the Custodian for the purpose of examining the Trust's silver and certain related records maintained by the Custodian.

*The obligations of any subcustodian of the Trust's silver are not determined by contractual arrangements but by LBMA rules and London bullion market customs and practices, which may prevent the Trust's recovery of damages for losses on its silver custodied with subcustodians.*

There are expected to be no written contractual arrangements between subcustodians that hold the Trust's silver and the Trustee or the Custodian because traditionally such arrangements are based on the LBMA's rules and on the customs and practices of the London bullion market. In the event of a legal dispute with respect to or arising from such arrangements, it may be difficult to define such customs and practices. The LBMA's rules may be subject to change outside the control of the Trust. Under English law, neither the Trustee nor the Custodian would have a supportable breach of contract claim against a subcustodian for losses relating to the safekeeping of silver. If the Trust's silver is lost or damaged while in the custody of a subcustodian, the Trust may not be able to recover damages from the Custodian or the subcustodian. Whether a subcustodian will be liable for the failure of subcustodians appointed by it to exercise due care in the safekeeping of the Trust's silver will depend on the facts and circumstances of the particular situation. Shareholders cannot be assured that the Trustee will be able to recover damages from subcustodians whether appointed by the Custodian or by another subcustodian for any losses relating to the safekeeping of silver by such subcustodian.

*Silver bullion allocated to the Trust in connection with the creation of a Basket may not meet the London Good Delivery Standards and, if a Basket is issued against such silver, the Trust may suffer a loss.*

Neither the Trustee nor the Custodian independently confirms the fineness of the silver allocated to the Trust in connection with the creation of a Basket. The silver bullion allocated to the Trust by the Custodian may be different from the reported fineness or weight required by the LBMA's standards for silver bars delivered in settlement of a silver trade (London Good Delivery Standards), the standards required by the Trust. If the Trustee nevertheless issues a Basket against such silver, and if the Custodian fails to satisfy its obligation to credit the Trust the amount of any deficiency, the Trust may suffer a loss.

*Silver held in the Trust's unallocated silver account and any Authorized Participant's unallocated silver account is not segregated from the Custodian's assets. If the Custodian becomes insolvent, its assets may not be adequate to satisfy a claim by the Trust or any Authorized Participant. In addition, in the event of the Custodian's insolvency, there may be a delay and costs incurred in identifying the bullion held in the Trust's allocated silver account.*

Silver which is part of a deposit for a purchase order or part of a redemption distribution is held for a time in the Trust's Unallocated Account and, previously or subsequently in, the Authorized Participant Unallocated Account of the purchasing or redeeming Authorized Participant. During those times, the Trust and the Authorized Participant, as the case may be, have no proprietary rights to any specific plates of silver held by the Custodian are each an unsecured creditor of the Custodian with respect to the amount of silver held in such unallocated accounts. In addition, if the Custodian fails to allocate the Trust's silver in a timely manner, in the proper amounts or otherwise in accordance with the terms of the Unallocated Account Agreement, or if a subcustodian fails to so segregate silver held by it on behalf of the Trust, unallocated silver will not be segregated from the Custodian's assets, and the Trust will be an unsecured creditor of the Custodian with respect to the amount so held in the event of the insolvency of the Custodian. In the event the Custodian becomes insolvent, the Custodian's assets might not be adequate to satisfy a claim by the Trust or the Authorized Participant for the amount of silver held in their respective unallocated silver accounts.

In the case of the insolvency of the Custodian, a liquidator may seek to freeze access to the silver held in all of the accounts held by the Custodian, including the Trust's Allocated Account. Although the Trust would be able to claim ownership of properly allocated silver, the Trust could incur expenses in connection with asserting such claims, and the assertion of such a claim by the liquidator could delay creations and redemptions of Baskets.

*In issuing Baskets, the Trustee relies on certain information received from the Custodian which is subject to confirmation after the Trustee has relied on the information. If such information turns out to be incorrect, Baskets may be issued in exchange for an amount of silver which is more or less than the amount of silver which is required to be deposited with the Trust.*

The Custodian's definitive records are prepared after the close of its business day. However, when issuing Baskets, the Trustee relies on information reporting the amount of silver credited to the Trust's accounts which it receives from the Custodian during the business day and which is subject to correction during the preparation of the Custodian's definitive records after the close of business. If the information relied upon by the Trustee is incorrect, the amount of silver actually received by the Trust may be more or less than the amount required to be deposited for the issuance of Baskets.

*The sale of the Trust's silver to pay expenses not assumed by the Sponsor at a time of low silver prices could adversely affect the value of the Shares.*

The Trustee sells silver held by the Trust to pay Trust expenses not assumed by the Sponsor on an as-needed basis irrespective of then-current silver prices. The Trust is not actively managed and no attempt will be made to buy or sell silver to protect against or to take advantage of fluctuations in the price of silver. Consequently, the Trust's silver may be sold at a time when the silver price is low, resulting in a negative effect on the value of the Shares.

*The value of the Shares will be adversely affected if the Trust is required to indemnify the Sponsor or the Trustee under the Trust Agreement.*

Under the Trust Agreement, each of the Sponsor and the Trustee has a right to be indemnified from the Trust for any liability or expense it incurs without gross negligence, bad faith or willful misconduct on its part. That means the Sponsor or the Trustee may require the assets of the Trust to be sold in order to cover losses or liability suffered by it. Any sale of that kind would reduce the NAV of the Trust and the value of the Shares.

#### **Item 1B. Unresolved Staff Comments**

None.

#### **Item 2. Properties**

Not applicable.

#### **Item 3. Legal Proceedings**

None.

#### **Item 4. (Removed and Reserved)**

PART II

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

The Trust was formed on July 20, 2009 (the "Date of Inception") following an initial deposit of silver. The Trust's Shares have been listed on the NYSE Arca under the symbol SIVR since its initial public offering on July 24, 2009. The following tables set out the range of high and low closing prices for the Shares as reported for NYSE Arca transactions for each of the quarters during the fiscal year ended December 31, 2010 and the fiscal period commencing July 20, 2009 and ending December 31, 2009:

<b>Fiscal Year Ended December 31, 2010: Quarter Ended</b>	<b>High</b>	<b>Low</b>
March 31, 2010	\$ 18.79	\$ 15.02
June 30, 2010	\$ 19.50	\$ 17.37
September 30, 2010	\$ 21.80	\$ 17.46
December 31, 2010	\$ 30.73	\$ 21.93

<b>Period Ended December 31, 2009: Quarter Ended</b>	<b>High</b>	<b>Low</b>
September 30, 2009 (from the Date of Inception)	\$ 17.44	\$ 13.34
December 31, 2009	\$ 19.22	\$ 16.11

The number of shares of record of the Trust as of March 8, 2011 was approximately 18,200,000.

*Monthly Share Price*

The following table sets forth, for each of the most recent six months, the high and low closing prices of the Shares, as reported for NYSE Arca transactions.

<b>Month</b>	<b>High</b>	<b>Low</b>
September 2010	\$ 21.80	\$ 19.33
October 2010	\$ 24.63	\$ 21.93
November 2010	\$ 27.97	\$ 24.54
December 2010	\$ 30.73	\$ 28.22
January 2011	\$ 30.57	\$ 26.73
February 2011	\$ 33.76	\$ 28.25

*Issuer Purchase of Equity Securities*

The Trust issues and redeems Shares only with Authorized Participants in exchange for silver, only in aggregations of 100,000 or integral multiples thereof. A list of current Authorized Participants is available from the Sponsor or the Trustee. Although the Trust does not purchase Shares directly from its shareholders in connection with the redemption of Baskets, the Trust redeemed as follows during the year ended December 31, 2010:

<b>Period</b>	<b>Total number of Shares redeemed</b>	<b>Average ounces of silver per Share</b>
01/01/10 to 01/31/10	1,500,000	0.9986
02/01/10 to 02/28/10	2,000,000	0.9982
03/01/10 to 03/31/10	—	—
04/01/10 to 04/30/10	—	—
05/01/10 to 05/31/10	—	—
06/01/10 to 06/30/10	100,000	0.9973
07/01/10 to 07/31/10	—	—
08/01/10 to 08/31/10	—	—
09/01/10 to 09/30/10	—	—
10/01/10 to 10/31/10	—	—
11/01/10 to 11/30/10	—	—
12/01/10 to 12/31/10	100,000	0.9959
<b>Total</b>	<b>3,700,000</b>	<b>0.9983</b>

The Trust redeemed as follows during the period ended December 31, 2009

<b>Period</b>	<b>Total number of Shares redeemed</b>	<b>Average ounces of silver per Share</b>
07/24/09 to 07/30/09	—	—
08/01/09 to 08/30/09	—	—
09/01/09 to 09/30/09	—	—
10/01/09 to 10/31/09	—	—
11/01/09 to 11/30/09	—	—
12/01/09 to 12/31/09	1,500,000	0.9993
<b>Total</b>	<b>1,500,000</b>	<b>0.9993</b>

**Item 6. Selected Financial Data.**

The following selected financial data for the Reporting Period should be read in conjunction with the Trust's financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	<b>December 31, 2010</b>	<b>December 31, 2009*</b>
Total assets	\$ 335,456,828	\$ 139,223,967
Total gain on silver	\$ 8,738,410	\$ 3,870,417
Net gain from operations	\$ 8,142,445	\$ 3,664,391
Weighted average number of Shares	9,847,671	\$ 7,648,171
Net gain per Share	\$ 0.83	\$ 0.48
Net cash provided by operating activities	\$ —	\$ —

\* For the period from the Date of Inception.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

*This information should be read in conjunction with the financial statements and notes to the financial statements included with this report. The discussion and analysis that follows may contain statements that relate to future events or future performance. In some cases, such forward-looking statements can be identified by terminology such as "may," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or the negative of these terms or other comparable terminology. Neither the Sponsor, nor any other person assumes responsibility for the accuracy or completeness of forward-looking statements. Neither the Trust nor the Sponsor is under a duty to update any of the forward-looking statements to conform such statements to actual results or to a change in the Sponsor's expectations or predictions.*

*Introduction.*

The ETFS Silver Trust (the "Trust") is a trust formed under the laws of the State of New York. The Trust does not have any officers, directors, or employees, and is administered by The Bank of New York Mellon (the "Trustee") acting as trustee pursuant to the Depositary Trust Agreement (the "Trust Agreement") between the Trustee and ETF Securities USA LLC, the sponsor of the Trust (the "Sponsor"). The Trust issues Shares representing fractional undivided beneficial interests in its net assets. The assets of the Trust consist of silver bullion held by a custodian as an agent of the Trust and responsible only to the Trustee.

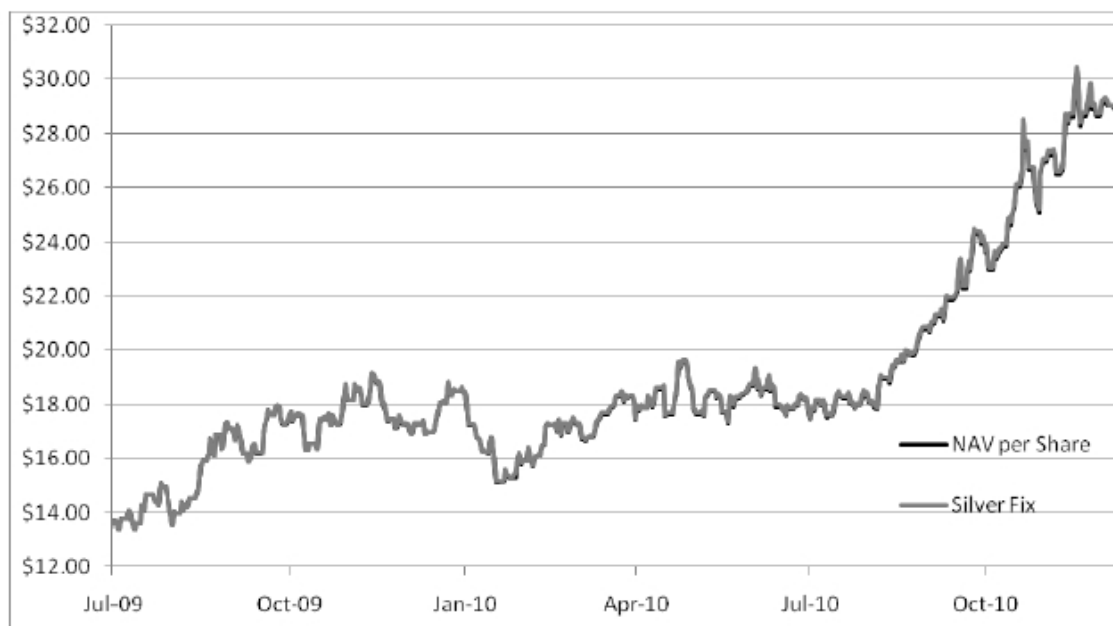
The Trust is a passive investment vehicle and the objective of the Trust is merely for the value of each share to approximately reflect, at any given time, the price of the silver bullion owned by the Trust, less the Trust's liabilities (anticipated to be principally for accrued operating expenses), divided by the number of outstanding Shares. The Trust does not engage in any activities designed to obtain a profit from, or ameliorate losses caused by, changes in the price of silver.

The Trust issues and redeems Shares only in exchange for silver, only in aggregations of 100,000 or integral multiples thereof (each, a "Basket"), and only in transactions with registered broker-dealers that have previously entered into an agreement with the Trust governing the terms and conditions of such issuance (such dealers, the "Authorized Participants"). A list of current Authorized Participants is available from the Sponsor or the Trustee.

Shares of the Trust trade on the NYSE Arca under the symbol "SIVR".

Investing in the Shares does not insulate the investor from certain risks, including price volatility. The following table illustrates the movement in the price of the Shares and net asset value ("NAV") of the Shares against the corresponding silver price (per 1 oz. of silver) since inception:

**Share price & NAV v. silver price from inception to December 31, 2010**



The divergence of the price of the Shares and NAV of the Shares from the silver price over time reflects the cumulative effect of the Trust expenses that arise if an investment had been held since inception.

***Critical Accounting Policy***

The financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements relies on estimates and assumptions that impact the Trust’s financial position and results of operations. These estimates and assumptions affect the Trust’s application of accounting policies. Below we describe the valuation of silver bullion, a critical accounting policy that we believe is important to understanding our results of operations and financial position. In addition, please refer to Note 2 to the Financial Statements for further discussion of our accounting policies.

***Valuation of Silver***

Silver is valued for financial statement purposes, at the lower of cost or market. The cost of silver is determined according to the average cost method and the market value is based on the London fix used to determine the Net Asset Value of the Trust. Realized gains and losses on sales of silver, or silver distributed for the redemption of Shares, are calculated on a trade date basis using average cost.

The table below summarizes the impact of unrealized gains on the Trust’s silver holdings at December 31, 2010 and 2009:

	<b>December 31, 2010</b>	<b>December 31, 2009</b>
Investment in silver - average cost	\$ 329,357,195	\$ 139,223,967
Unrealized gain on investment in silver	\$ 173,978,516	16,842,298
Investment in silver - market value	\$ 503,335,711	\$ 156,066,265

***Inspection of Silver***

Under the Custody Agreements, the Sponsor has exercised its right to visit the Custodian in order to examine the silver and the records maintained by the Custodian. The inspection held on December 31, 2010 confirmed that the Custodian’s records of silver held in the vault were accurate.

## Liquidity

The Trust is not aware of any trends, demands, conditions or events that are reasonably likely to result in material changes to its liquidity needs. In exchange for a fee, the Sponsor has agreed to assume most of the expenses incurred by the Trust. As a result, the only ordinary expense of the Trust during the period covered by this report was the Sponsor's fee. The Trust's only source of liquidity is its transfers and sales of silver.

The Trustee will, at the direction of the Sponsor or in its own discretion, sell the Trust's silver as necessary to pay the Trust's expenses not otherwise assumed by the Sponsor. The Trustee will not sell silver to pay the Sponsor's Fee but will pay the Sponsor's Fee through in-kind transfers of silver to the Sponsor. At December 31, 2010, the Trust did not have any cash balances.

## Review of Financial Results

### Financial Highlights

	<b>December 31, 2010</b>	<b>December 31, 2009*</b>
Total gain on silver	\$ 8,738,410	\$ 3,870,417
Net gain from operations	\$ 8,142,445	\$ 3,664,391
Net cash provided operating by activities	\$ —	\$ —

\*Period from the Date of Inception.

### The year ended December 31, 2010

The net asset value ("NAV") of the Trust is obtained by subtracting the Trust's expenses and liabilities on any day from the value of the silver owned by the Trust on that day; the NAV per Share is obtained by dividing the NAV of the Trust on a given day by the number of Shares outstanding on that day.

The Trust's NAV grew from \$156,066,265 at December 31, 2009 to \$509,311,012 at December 31, 2010, a 226.34% increase for the year. NAV per Share increased 79.73% from \$16.97 at December 31, 2009 to \$30.50 at December 31, 2010. The increase in the Trust's NAV per Share resulted primarily from an increase in the price per ounce of silver, which rose 80.28% from \$16.99 at December 31, 2009 to \$30.63 at December 31, 2010 and an increase in outstanding Shares, which rose from 9,200,000 Shares at December 31, 2009 to 16,700,000 Shares at December 31, 2010, a consequence of 11,200,000 Shares (112 Baskets) being created and 3,700,000 Shares (37 Baskets) being redeemed during the year.

The Trust's NAV per Share rose slightly less than the price per ounce of silver on a percentage basis due to Sponsor's Fees, which were \$595,965 for the year, or 0.30% of the Trust's of the Trust's assets on an annualized basis.

The NAV per Share of \$30.57 at December 30, 2010 was the highest during the year, compared with a low of \$15.12 at February 8, 2010.

Net gain from operations for the year ended December 31, 2010 was \$8,142,445 resulting from a net gain of \$81,343 on the transfer of silver to pay expenses and a net gain of \$8,657,067 on silver distributed for the redemption of Shares, offset by Sponsor's Fees of \$595,965. Other than the Sponsor's Fees, the Trust had no expenses during the year ended December 31, 2010.

### The fiscal period from July 20, 2009 to December 31, 2009

On July 20, 2009, the Trust was formed as a legal entity with an initial deposit of silver. On July 24, 2009, the Trust's Shares commenced trading on the NYSE Arca under the symbol SIVR, and the Trust commenced operations. The assets of the Trust were \$1,378,000 as of close of business on July 24, 2009.

The Trust's NAV grew from \$1,378,000 at July 24, 2009 to \$156,066,265 at December 31, 2009, an 11,225.56% increase for the period. The increase in the Trust's NAV resulted primarily from an increase in the price per ounce of Silver, which rose 23.29% from \$13.78 at July 24, 2009 to \$16.99 at December 31, 2009 and an increase in outstanding Shares, which rose from 100,000 Shares at July 24, 2009 to 9,200,000 Shares at December 31, 2009, a consequence of 10,700,000 Shares (107 Baskets) being created and 1,500,000 Shares (15 Baskets) being redeemed during the period.

The 23.15% increase in the Trust's NAV per share from \$13.78 at July 24, 2009 to \$16.97 at December 31, 2009 directly relates to the price per ounce of silver, which rose 23.29%.

The Trust's NAV per Share rose slightly less than the price per ounce of silver on a percentage basis due to Sponsor's fees, which were \$206,026 for the period, or 0.30% of the Trust's assets on an annualized basis. The NAV per Share of \$19.15 on December 2, 2009 was the highest during the period, compared with a low of \$13.40 on July 30, 2009.

Net gain for the period ended December 31, 2009 was \$3,664,391 resulting from a net gain of \$27,499 on the sale of silver to pay expenses and a net gain of \$3,842,918 on silver distributed for the redemption of Shares, offset by Sponsor's fees of \$ 206,026. Other than the Sponsor's Fees, the Trust had no expenses during the period ended December 31, 2009.

#### Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

The Trust Indenture does not authorize the Trustee to borrow for payment of the Trust's ordinary expenses. The Trust does not engage in transactions in foreign currencies which could expose the Trust or holders of Shares to any foreign currency related market risk. The Trust invests in no derivative financial instruments and has no foreign operations or long-term debt instruments.

#### Item 8. Financial Statements and Supplementary Data.

##### Quarterly Income Statements

##### Year Ended December 31, 2010

	<u>March 31</u>	<u>Three months ended</u>		<u>December 31</u>	<u>For the Year Ended December 31</u>
		<u>June 30</u>	<u>September 30</u>		
<b>Revenues</b>					
Value of silver transferred to pay expenses	\$ 31,096	\$ 100,346	\$ 124,846	\$ 214,745	\$ 471,033
Cost of silver transferred to pay expenses	(29,693)	(87,768)	(109,839)	(162,390)	(389,690)
Gain on silver transferred to pay expenses	1,403	12,578	15,007	52,355	81,343
Gain on silver distributed for the redemption of Shares	7,331,209	290,114	—	1,035,744	8,657,067
Unrealized gain/(loss) on investment in silver	—	—	—	—	—
<b>Total gain on transfers and distributions of silver</b>	<b>\$ 7,332,612</b>	<b>\$ 302,692</b>	<b>\$ 15,007</b>	<b>\$ 1,088,099</b>	<b>\$ 8,738,410</b>
<b>Expenses</b>					
Sponsor's Fee	\$ 61,832	\$ 109,432	\$ 136,759	\$ 287,942	\$ 595,965
<b>Total expenses</b>	<b>\$ 61,832</b>	<b>\$ 109,432</b>	<b>\$ 136,759</b>	<b>\$ 287,942</b>	<b>\$ 595,965</b>
<b>Net gain/(loss) from operations</b>	<b>\$ 7,270,780</b>	<b>\$ 193,260</b>	<b>\$ (121,752)</b>	<b>\$ 800,157</b>	<b>\$ 8,142,445</b>
Net gain/(loss) per Share	\$ 0.93	\$ 0.02	\$ (0.01)	\$ 0.06	\$ 0.83
Weighted average number of Shares	7,833,333	7,975,824	9,534,783	13,982,609	9,847,671

##### Period Ended December 31, 2009

	<u>For the period ended September 30, 2009*</u>	<u>Three months ended December 31, 2010</u>	<u>For the period July 20 2009 through Dec. 31, 2010*</u>
<b>Revenues</b>			
Value of silver transferred to pay expenses	\$ 36,294	\$ 169,732	\$ 206,026
Cost of silver transferred to pay expenses	(34,526)	(144,001)	(178,527)
Gain on silver transferred to pay expenses	1,768	25,731	27,499
Gain on silver distributed for the redemption of Shares	—	3,842,918	3,842,918
Unrealized gain/(loss) on investment in silver	—	—	—
<b>Total gain on transfers and distributions of silver</b>	<b>\$ 1,768</b>	<b>\$ 3,868,649</b>	<b>\$ 3,870,417</b>
<b>Expenses</b>			
Sponsor's Fee	\$ 70,988	\$ 102,716	\$ 206,026
<b>Total expenses</b>	<b>\$ 70,988</b>	<b>\$ 102,716</b>	<b>\$ 206,026</b>
<b>Net (loss)/gain from operations</b>	<b>\$ (69,220)</b>	<b>\$ 3,765,933</b>	<b>\$ 3,664,391</b>
Net (loss)/gain per Share	\$ (0.01)	\$ 0.42	\$ 0.48
Weighted average number of Shares	6,007,246	9,005,435	7,648,171

\*Period from the Date of Inception.

The financial statements required by Regulation S-X, together with the report of the Trust's independent registered public accounting firm appear on pages F-1 to F-11 of this filing.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

There have been no changes in accountants and no disagreements with accountants during the year ended December 31, 2010.

**Item 9A. Controls and Procedures.**

The Trust maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer of the Sponsor, and to the audit committee, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer of the Sponsor, the Sponsor conducted an evaluation of the Trust's disclosure controls and procedures, as defined under Exchange Act Rule 13a-15(e). Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer of the Sponsor concluded that, as of December 31, 2010, the Trust's disclosure controls and procedures were effective.

There have been changes in the Trust's or Sponsor's internal control over financial reporting that occurred during the Trust's recently completed fiscal quarter ended December 31, 2010 that have materially affected, or are reasonably likely to materially affect, the Trust's or Sponsor's internal control over financial reporting. These changes have occurred as a result of the Sponsor's review of the control processes. The changes include strengthening the review procedures over the financial statements and the creation of an audit committee to act in respect of the Trust on behalf of the Sponsor's audit committee.

*Management's Report on Internal Control over Financial Reporting*

The Sponsor's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined under Exchange Act Rules 13a-15(f) and 15d-15(f). The Trust's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Trust's assets,

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Trust's receipts and expenditures are being made only in accordance with appropriate authorizations; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Trust's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Chief Executive Officer and Chief Financial Officer of the Sponsor assessed the effectiveness of the Trust's internal control over financial reporting as of December 31, 2010. In making this assessment, they used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework*. Their assessment included an evaluation of the design of the Trust's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Based on their assessment and those criteria, the Chief Executive Officer and Chief Financial Officer of the Sponsor concluded that the Trust maintained effective internal control over financial reporting as of December 31, 2010.

Deloitte & Touche LLP, the independent registered public accounting firm that audited and reported on the financial statements included in this Form 10-K, as stated in their report which is included herein, issued an attestation report on the effectiveness of the Trust's internal control over financial reporting as of December 31, 2010.

#### **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Sponsor, Trustee and the Shareholders of the ETFS Silver Trust

We have audited the internal control over financial reporting of ETFS Silver Trust (the "Trust") as of December 31, 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Trust's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Trust's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Trust maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the financial statements of the Trust as of and for the year ended December 31, 2010, and our report dated March 14, 2011 expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP

New York, New York  
March 14, 2011

**Item 9B. Other Information.**

Not applicable.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance.**

Not applicable.

**Item 11. Executive Compensation.**

The Trust has no directors or executive officers. The only ordinary expense paid by the Trust is the Sponsor's Fee.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The Sponsor has no knowledge of any person being the beneficial owner of more than 5% of the Shares of the Trust.

*Security Ownership of Management*

The Trustee does not beneficially own any of the Trust Shares.

*Change in Control*

Neither the Sponsor nor the Trustee knows of any arrangements which may subsequently result in a change in control of the Trust.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The Trust has no directors or executive officers.

**Item 14. Principal Accounting Fees and Services.**

Fees for services performed by Deloitte & Touche LLP for the period ended December 31, 2009 and the year ended December 31, 2010 were as follows:

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Audit fees	\$ 90,000	\$ 51,000
Audit-related fees	45,000	17,500
	<u>\$ 135,000</u>	<u>\$ 68,500</u>

**Pre-Approved Policies and Procedures**

As referenced in Item 10 above, the Trust has no board of directors, and as a result, has no pre-approval policies or procedures with respect to fees paid to Deloitte & Touche LLP. Such determinations are made by the Sponsor.

None of the hours expended by Deloitte & Touche LLP to audit the Trust's financial statements for the fiscal period ended December 31, 2010 were attributable to work performed by persons other than the principal accountant's full-time, permanent employees.

## PART III

### Item 15. Exhibits, Financial Statement Schedules

#### 1. Financial Statements

See Index to Financial Statements on Page F-1 for a list of the financial statements being filed herein.

#### 2. Financial Statement Schedules

Schedules have been omitted since they are either not required, not applicable, or the information has otherwise been included.

#### 3. Exhibits

Exhibit No.	Description
4.1	Depository Trust Agreement, incorporated by reference to Exhibit 4.1 filed with Registration Statement No. 333-156307 on July 21, 2009
4.2	Form of Authorized Participant Agreement
4.3	Global Certificate, incorporated by reference to Exhibit 4.3 filed with Registration Statement No. 333-156307 on July 21, 2009
10.1	Allocated Account Agreement, incorporated by reference to Exhibit 10.1 filed with Registration Statement No. 333-156307 on July 21, 2009
10.2	Unallocated Account Agreement, incorporated by reference to Exhibit 10.2 filed with Registration Statement No. 333-156307 on July 21, 2009
10.3	Depository Agreement, incorporated by reference to Exhibit 10.3 filed with Registration Statement No. 333-156307 on July 21, 2009
10.4	Marketing Agent Agreement, incorporated by reference to Exhibit 10.4 filed with Registration Statement No 333-156307 on July 21, 2009
31.1	Chief Executive Officer's Certificate, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Chief Financial Officer's Certificate, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chief Executive Officer's Certificate, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Chief Financial Officer's Certificate, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

ETFS SILVER TRUST

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Sponsor, Trustee and the Shareholders of the ETFS Silver Trust:

We have audited the accompanying statements of financial condition of ETFS Silver Trust (the "Trust") as of December 31, 2010 and 2009, and the related statements of operations, changes in shareholders' deficit, and cash flows for the year ended December 31, 2010 and the period July 20, 2009 (date of inception) to December 31, 2009. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Trust at December 31, 2010 and 2009, and the results of its operations and its cash flows for the year ended December 31, 2010 and the period July 20, 2009 (date of inception) to December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Trust's internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 14, 2011 expressed an unqualified opinion on the Trust's internal control over financial reporting.

DELOITTE & TOUCHE LLP

New York, New York  
March 14, 2011

## Statements of Financial Condition

At December 31, 2010 and December 31, 2009

	December 31, 2010	December 31, 2009
<b>ASSETS</b>		
Investment in silver (1)	\$ 329,357,195	\$ 139,223,967
Silver receivable	6,099,633	\$ —
Total assets	<u>\$ 335,456,828</u>	<u>\$ 139,223,967</u>
<b>LIABILITIES</b>		
Accounts payable to Sponsor, net of waiver	\$ 124,332	\$ —
Total liabilities	<u>\$ 124,332</u>	<u>\$ —</u>
Redeemable Shares:		
Shares at redemption value to investors (2)	509,311,012	156,066,265
Shareholders' deficit	(173,978,516)	(16,842,298)
Total liabilities, redeemable Shares & shareholders' deficit	<u>\$ 335,456,828</u>	<u>\$ 139,223,967</u>

(1) The market value of investment in silver as at December 31, 2010 is \$503,335,711 and as at December 31, 2009, is \$156,066,265.

(2) Authorized share capital is unlimited and no par value per Share. Shares issued and outstanding as at December 31, 2010 were 16,700,000 and as at December 31, 2009, were, 9,200,000.

*See Notes to the Financial Statements.*

## Statements of Operations

For the year ended December 31, 2010 and the period July 20, 2009\* through December 31, 2009

	Year Ended December 31, 2010	For the period July 20, 2009* through December 31, 2009
<b>REVENUES</b>		
Value of silver transferred to pay expenses	\$ 471,033	\$ 206,026
Cost of silver transferred to pay expenses	(389,690)	(178,527)
Gain on silver transferred to pay expenses	81,343	27,499
Gain on silver distributed for the redemption of Shares	8,657,067	3,842,918
Total gain on silver	\$ 8,738,410	\$ 3,870,417
<b>EXPENSES</b>		
Sponsor's Fee, net of waiver (Note 2.7)	595,965	206,026
Total expenses	595,965	206,026
Net gain from operations	\$ 8,142,445	\$ 3,664,391
<i>Net gain per Share</i>	\$ 0.83	\$ 0.48
<i>Weighted average number of Shares</i>	9,847,671	7,648,171

\* Date of Inception

See Notes to the Financial Statements.

Statements of Cash Flows

For the year ended December 31, 2010 and the period July 20, 2009\* through December 31, 2009

	Year Ended December 31, 2010	For the period July 20, 2009* through December 31, 2009
<b>INCREASE / (DECREASE) IN CASH FROM OPERATIONS:</b>		
Cash proceeds received from transfer of silver	\$ —	\$ —
Cash expenses paid	—	—
Increase in cash resulting from operations	—	—
Cash and cash equivalents at beginning of period	—	—
Cash and cash equivalents at end of period	\$ —	\$ —
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:</b>		
<i>Value of silver received for creation of Shares - net of silver receivable</i>	\$ 247,261,376	\$ 161,927,868
<i>Value of silver distributed for redemption of Shares - at average cost</i>	\$ 56,738,458	\$ 22,525,374
	Year Ended December 31, 2010	For the period July 20, 2009* through December 31, 2009
<b>RECONCILIATION OF NET GAIN/(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Net gain from operations	\$ 8,142,445	\$ 3,664,391
Adjustments to reconcile net gain to net cash provided by/(used in) operating activities:		
Increase in silver assets	(190,133,228)	(139,223,967)
Adjustment of silver receivable to market value	37,836	—
Increase in receivable	(6,099,633)	—
Increase in accounts payable to Sponsor	124,332	—
Increase/(decrease) in redeemable Shares:		
Creations	253,323,773	161,914,997
Redemptions	(65,395,525)	(26,355,421)
Net cash provided by operating activities	\$ —	\$ —
Supplemental disclosure of non-cash item:		
Value of silver transferred to pay expenses	\$ 471,033	\$ 206,026

\* Date of Inception

See Notes to the Financial Statements

**Statement of Changes in Shareholders' Deficit**

For the year ended December 31, 2010 and the period July 20, 2009\* through December 31, 2009

	Year Ended December 31, 2010	For the period July 20, 2009* through December 31, 2009
Shareholders' deficit - opening balance	\$ (16,842,298)	\$ —
Net gain for the year	8,142,445	3,664,391
Adjustment of redeemable Shares to redemption value	(165,316,499)	(20,506,689)
Adjustment of silver receivable to market value	37,836	—
Shareholders' deficit - closing balance	\$ (173,978,516)	\$ (16,842,298)

\* *Date of Inception*

## Notes to the Financial Statements

### 1. Organization

The ETFS Silver Trust (the “Trust”) is an investment trust formed on July 20, 2009, under New York law pursuant to a depositary trust agreement (the “Trust Agreement”) executed by ETF Securities USA LLC (the “Sponsor”) and the Bank of New York Mellon (the “Trustee”) at the time of the Trust’s organization. The Trust holds silver bullion and issues ETFS Physical Silver Shares (the “Shares”) (in minimum blocks of 100,000 Shares, also referred to as “Baskets”) in exchange for deposits of silver and distributes silver in connection with redemption of Baskets. Shares represent units of fractional undivided beneficial interest in and ownership of the Trust which are issued by the Trust. The Sponsor is a Delaware limited liability company that is a wholly-owned subsidiary of ETF Securities Limited, a Jersey, Channel Islands’ based company. The Trust is governed by the Trust Agreement.

The investment objective of the Trust is for the Shares to reflect the performance of the price of silver, less the Trust’s expenses and liabilities. The Trust is designed to provide an individual owner of beneficial interests in the Shares (a “Shareholder”) an opportunity to participate in the silver market through an investment in securities.

### 2. Significant Accounting Policies

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires those responsible for preparing financial statements to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Trust.

#### 2.1. Valuation of Silver

Silver is held by HSBC Bank USA, National Association (the “Custodian”), on behalf of the Trust and is valued, for financial statement purposes, at the lower of cost or market. The cost of silver is determined according to the average cost method and the market value is based on the London Fix used to determine the net asset value (“NAV”) of the Trust. Realized gains and losses on transfers of silver, or silver distributed for the redemption of Shares, are calculated on a trade date basis using average cost. The price for an ounce of silver is set by three market making members of the London Bullion Market Association at approximately 12:00 noon London time on each working day.

Once the value of silver has been determined, the NAV is computed by the Trustee by deducting all accrued fees and other liabilities of the Trust, including the remuneration due to the Sponsor (the “Sponsor’s Fee”), from the fair value of the silver and all other assets held by the Trust.

The table below summarizes the unrealized gains or losses on the Trust’s silver holdings as of December 31, 2010 and December 31, 2009:

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Investment in silver - average cost	\$ 329,357,195	\$ 139,223,967
Unrealized gain on investment in silver	173,978,516	16,842,298
Investment in silver - market value	<u>\$ 503,335,711</u>	<u>\$ 156,066,265</u>

## Notes to the Financial Statements

### 2. Significant Accounting Policies (continued)

#### 2.1. Valuation of Silver (continued)

The Trust recognizes the diminution in value of the investment in silver which arises from market declines on an interim basis. Increases in the value of the investment in silver through market price recoveries in later interim periods of the same fiscal year are recognized in the later interim period. Increases in value recognized on an interim basis may not exceed the previously recognized diminution in value.

The per Share amount of silver exchanged for a purchase or redemption is calculated daily by the Trustee, using the London Fix to calculate the silver amount in respect of any liabilities for which covering silver sales have not yet been made, and represents the per-Share amount of silver held by the Trust, after giving effect to its liabilities, to cover expenses and liabilities and any losses that may have occurred.

#### 2.2. Silver Receivable and Payable

Silver receivable or payable represents the quantity of silver covered by contractually binding orders for the creation or redemption of Shares respectively, where the silver has not yet been transferred to or from the Trust's account. Generally, ownership of the silver is transferred within three days of trade date.

Silver receivable was \$6,099,633 as of December 31, 2010 and nil as of December 31, 2009.

#### 2.3. Creations and Redemptions of Shares

The Trust expects to create and redeem Shares from time to time, but only in one or more Baskets (a Basket equals a block of 100,000 Shares). The Trust issues Shares in Baskets to Authorized Participants on an ongoing basis. Individual investors cannot purchase or redeem Shares in direct transactions with the Trust. An Authorized Participant is a person who (1) is a registered broker-dealer or other securities market participant such as a bank or other financial institution which is not required to register as a broker-dealer to engage in securities transactions, (2) is a participant in The Depository Trust Company, (3) has entered into an Authorized Participant Agreement with the Trustee and the Sponsor and (4) has established an Authorized Participant Unallocated Account with the Custodian or another silver bullion clearing bank to effect transactions in silver bullion. An Authorized Participant Agreement is an agreement entered into by each Authorized Participant, the Sponsor and the Trustee which provides the procedures for the creation and redemption of Baskets and for the delivery of the silver required for such creations and redemptions. An Authorized Participant Unallocated Account is an unallocated silver account established with the Custodian by an Authorized Participant

The creation and redemption of Baskets is only made in exchange for the delivery to the Trust or the distribution by the Trust of the amount of silver represented by the Baskets being created or redeemed, the amount of which is based on the combined NAV of the number of Shares included in the Baskets being created or redeemed determined on the day the order to create or redeem Baskets is properly received.

Authorized Participants may, on any business day, place an order with the Trustee to create or redeem one or more Baskets. The typical settlement period for Shares is three business days. In the event of a trade date at period end, where a settlement is pending, a respective account receivable and/or payable will be recorded. When silver is exchanged in settlement of redemption, it is considered a sale of silver for financial statement purposes.

The Shares of the Trust are classified as "Redeemable Capital Shares" for financial statement purposes, since they are subject to redemption at the option of Authorized Participants. Outstanding Shares are reflected at redemption value, which represents the maximum obligation (based on NAV per Share) with the difference from historical cost recorded as an offsetting amount to retained earnings.

## Notes to the Financial Statements

### 2. Significant Accounting Policies (continued)

#### 2.3. Creations and Redemptions of Shares (continued)

Changes in the Shares for the year from January 1, 2010 through December 31, 2010 and the period from July 20, 2009 (the "Date of Inception") through December 31, 2009 are as follows:

	Year Ended December 31, 2010	For the period July 20, 2009* through December 21, 2009
<b>Number of Redeemable Shares:</b>		
Opening balance	9,200,000	—
Creations	11,200,000	10,700,000
Redemptions	(3,700,000)	(1,500,000)
Closing balance	16,700,000	9,200,000

	Year Ended December 31, 2010	For the period July 20, 2009* through December 21, 2009
<b>Redeemable Shares:</b>		
Opening Balance	\$ 156,066,265	—
Creations	253,323,773	161,914,997
Redemptions	(65,395,525)	(26,355,421)
Adjustment to redemption value	165,316,499	20,506,689
Closing balance	\$ 509,311,012	\$ 156,066,265
Redemption value per Share at period end	\$ 30.50	\$ 16.96

\* Date of Inception

#### 2.4. Revenue Recognition Policy

The primary expense of the Trust is the Sponsor's Fee, which is paid by the Trust through in-kind transfers of silver to the Sponsor. With respect to expenses not otherwise assumed by the Sponsor, the Trustee will, at the direction of the Sponsor or in its own discretion, sell the Trust's silver as necessary to pay these expenses. When selling silver to pay expenses, the Trustee will endeavor to sell the smallest amounts of silver needed to pay these expenses in order to minimize the Trust's holdings of assets other than silver.

Unless otherwise directed by the Sponsor, when selling silver the Trustee will endeavor to sell at the price established by the London Fix. The Trustee will place orders with dealers (which may include the Custodian) through which the Trustee expects to receive the most favorable price and execution of orders. The Custodian may be the purchaser of such silver only if the sale transaction is made at the next London PM Fix used by the Trustees to value the Trust's silver. Following the sale order, a gain or loss is recognized based on the difference between the selling price and the average cost of the silver sold. Neither the Trustee nor the Sponsor is liable for depreciation or loss incurred by reason of any sale.

## Notes to the Financial Statements

### 2. Significant Accounting Policies (continued)

#### 2.5. Income Taxes

The Trust is classified as a “grantor trust” for U.S. federal income tax purposes. As a result, the Trust itself will not be subject to U.S. federal income tax. Instead, the Trust’s income and expenses will “flow through” to the Shareholders, and the Trustee will report the Trust’s proceeds, income, deductions, gains, and losses to the Internal Revenue Service on that basis.

The Trust has adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 740-10, Income Taxes (formerly FASB Interpretation Number 48, Accounting for Uncertainty in Income Taxes). FASB ASC 740-10 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740-10 also provides guidance on the related derecognition, classification, interest and penalties, accounting for interim periods, disclosure and transition of uncertain tax positions. The Sponsor has evaluated the effects of FASB ASC 740-10 and has determined that it does not have a significant effect on the financial position or results of operations of the Trust.

#### 2.6 Investment in Silver

The following represents the changes in ounces of silver and the respective values for the period from the Date of Inception through December 31, 2009 and the year ended December 31, 2010:

	Year Ended December 31, 2010	For the period July 20, 2009* through December 31, 2009
<b>Ounces of silver:</b>		
Opening balance	9,185,771.9	—
Creations (excluding silver receivable at December 31, 2010 - 199,139.2)	10,964,004.5	10,696,328.6
Redemptions	(3,693,621.5)	(1,498,198.4)
Transfers of silver	(23,386.1)	(12,358.3)
Closing balance	16,432,768.8	9,185,771.9
<b>Investment in silver (lower of cost or market):</b>		
Opening balance	\$ 139,223,967	—
Creations (excluding silver receivable at December 31, 2010 \$6,061,797)	247,261,376	161,927,868
Redemptions	(56,738,458)	(22,525,374)
Transfers of silver	(389,690)	(178,527)
Closing balance	\$ 329,357,195	\$ 139,223,967

\* Date of Inception

## Notes to the Financial Statements

### 2. Significant Accounting Policies (continued)

#### 2.7. Expenses

The Trust will transfer silver to the Sponsor to pay the Sponsor's Fee that will accrue daily at an annualized rate equal to 0.45% of the adjusted daily NAV of the Trust, paid monthly in arrears. The Sponsor waived a portion of its fee and reduced the Sponsor's Fee to 0.30% for the first year of the Trust's operations beginning on the Trust's inception date and ending December 31, 2009. The Sponsor elected to continue to waive a portion of its fee for the year ending December 31, 2010, so that the fee was 0.30% of the adjusted daily NAV of the Trust during the year ending December 31, 2010. The Sponsor decided to waive a portion of the Sponsor's fee to reduce the Sponsor's fee to 0.30% until July 24, 2011. At this point, the Sponsor may renew its fee waiver, waive a larger or smaller portion of its fee or not renew its fee waiver.

The Sponsor has agreed to assume administrative and marketing expenses incurred by the Trust, including the Trustee's monthly fee and out-of-pocket expenses, the Custodian's fee and the reimbursement of the Custodian's expenses, exchange listing fees, United States Securities and Exchange Commission (the "SEC") registration fees, printing and mailing costs, audit fees and certain legal expenses.

#### 2.8 Subsequent Events

In accordance with the provisions set forth in FASB ASC 855-10, Subsequent Events, the Trust's management has evaluated the possibility of subsequent events existing in the Trust's financial statements through the issuance date. Management has determined that there are no material events that would require adjustment to or disclosure in the Trust's financial statements through this date.

### 3. Related Parties

The Sponsor and the Trustee are considered to be related parties to the Trust. The Trustee's fee is paid by the Sponsor and is not a separate expense of the Trust. The Trustee and the Custodian and their affiliates may from time to time act as Authorized Participants or purchase or sell silver or Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion.

For the year ended December 31, 2010, the Sponsor's Fee, net of waiver (see note 2.7), was \$595,965. For the period ended December 31, 2009, the Sponsor's Fee, net of waiver was \$206,026. As a result of the waiver, fees waived for the year ending December 31, 2010 were \$297,983 (2009: \$103,013).

At December 31, 2010, \$124,332 was payable to the Sponsor. At December 31, 2009, there were no fees payable to the Sponsor.

### 4. Concentration of Risk

The Trust's sole business activity is the investment in silver, and substantially all the Trust's assets are holdings of silver which creates a concentration risk associated with fluctuations in the price of silver. Several factors could affect the price of silver, including: (i) global silver supply and demand, which is influenced by factors such as forward selling by silver producers, purchases made by silver producers to unwind silver hedge positions, central bank purchases and sales, and production and cost levels in major silver-producing countries; (ii) investors' expectations with respect to the rate of inflation; (iii) currency exchange rates; (iv) interest rates; (v) investment and trading activities of hedge funds and commodity funds; and (vi) global or regional political, economic or financial events and situations. In addition, there is no assurance that silver will maintain its long-term value in terms of purchasing power in the future. In the event that the price of silver declines, the Sponsor expects the value of an investment in the Shares to decline proportionately. Each of these events could have a material effect on the Trust's financial position and results of operations.

### 5. Indemnification

Under the Trust's organizational documents, each of the Trustee (and its directors, employees and agents) and the Sponsor (and its members, managers, directors, officers, employees, and affiliates) is indemnified by the Trust against any liability, cost or expense it incurs without gross negligence, bad faith or willful misconduct on its part and without reckless disregard on its part of its obligations and duties under the Trust's organizational documents.

The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned in the capacities\* indicated thereunto duly authorized.

ETF SECURITIES USA LLC  
Sponsor of the ETFS Silver Trust  
(Registrant)

/s/ Graham Tuckwell

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Graham Tuckwell  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: March 15, 2011

/s/ Thomas Quigley

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Thomas Quigley  
Chief Financial Officer and Treasurer  
(Principal Financial Officer and Principal Accounting Officer)

Date: March 15, 2011

\* The Registrant is a trust and the persons are signing in their capacities as officers of ETF Securities USA LLC, the Sponsor of the Registrant.

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**AUTHORIZED PARTICIPANT AGREEMENT**

AUTHORIZED PARTICIPANT AGREEMENT (this “Agreement”) dated as of [DATE] among (i) [AUTHORIZED PARTICIPANT], a [company] organized under the laws of [JURISDICTION OF AP] (the “**Authorized Participant**”), (ii) The Bank of New York Mellon, a New York Banking corporation acting in its capacity as trustee (in such capacity, the “**Trustee**”) of the Trust(s) listed on the attached Schedule A, which is a part of this Agreement (each a “**Trust**” and collectively, the “**Trusts**”), each Trust created under New York law pursuant to its respective Depositary Trust Agreement identified on the attached Schedule A (each a “**Trust Agreement**” and collectively, the “**Trust Agreements**”), and (iii) ETF Securities USA LLC, in its capacity as sponsor of each Trust (in such capacity, the “**Sponsor**”).

## RECITALS

A. Pursuant to the provisions of the applicable Trust Agreements, each Trust may from time to time issue or redeem equity securities representing an interest in the assets of such Trust (“**Shares**”), in each case only in aggregate amounts as set out in Schedule A (such aggregate amount, a “**Basket**”), and integral multiples thereof, and only in transactions with a party who, at the time of the transaction, shall have signed and in effect an Authorized Participant Agreement with such Trust.

B. [AUTHORIZED PARTICIPANT] has requested to become an “Authorized Participant” with respect to each Trust (as such term is defined in the applicable Trust Agreement), and the Sponsor and the Trustee have agreed to such request.

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties, hereto, intending to be legally bound, agree as follows:

Section 1. Procedures. The Authorized Participant will purchase or redeem Baskets of Shares of the relevant Trust in compliance with the relevant Trust Agreement as supplemented by the Creation and Redemption Procedures attached to this Agreement as Schedule 1 (such procedures, as the same may be amended or modified from time to time in compliance with the provisions hereof and thereof, the “**Procedures**”), using either (i) the form attached thereto as Annex I (a “**Purchase Order**”, in the case of an order to purchase one or more Baskets of Shares issued by a specified Trust and a “**Redemption Order**”, in case of an order to redeem one or more Baskets of Shares issued by a specified Trust) or (ii) through the Trustee’s electronic order entry system, as such may be made available and constituted from time to time, the use of which shall be subject to the terms and conditions attached thereto as Annex II. All Purchase Orders and Redemption Orders (collectively, “**Orders**”) shall be placed and executed in accordance with the relevant Trust Agreement as supplemented by the Procedures. Capitalized terms used in this Agreement and not otherwise defined herein have the meaning ascribed to them in the Procedures.

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Section 2. Incorporation of Standard Terms. The Standard Terms attached hereto as Schedule 2 are hereby incorporated by reference into, and made a part of, this Agreement.

Section 3. Conflicts Rules. In case of any inconsistency between the provisions of this Agreement and an applicable Trust Agreement, the provisions of such Trust Agreement shall control. In case of inconsistency between the provisions incorporated by reference into this Agreement pursuant to Section 2 above and any other provision of this Agreement, the latter will control.

Section 4. Authorized Representatives. Pursuant to Section 2.01 of the Standard Terms, attached hereto as Schedule 3-A is a certificate listing the Authorized Representatives of the Authorized Participant.

Section 5. Additional Covenants. The Authorized Participant covenants and agrees:

(a) To use its best efforts to ensure that any Delivery of applicable Bullion to the Custodian, or any withdrawal of applicable Bullion from the appropriate Trust, in connection with a Purchase Order or Redemption Order placed by the Authorized Participant will take place only through one or more members of the London Bullion Market Association and/or the London Platinum and Palladium Market as appropriate under the terms of the applicable Trust Agreement.

(b) Promptly upon written demand therefore (accompanied by such reasonable evidence as the Authorized Participant may request), to reimburse the relevant Trust or the Custodian the amount of any taxes (including value added taxes) that may be imposed on the relevant Trust or the Custodian in connection with any Delivery of Bullion by or on behalf of the Authorized Participant to the Custodian (in the case of a Purchase Order placed by the Authorized Participant), or any Delivery of Bullion to or for the account of the Authorized Participant (in the case of a Redemption Order placed by the Authorized Participant).

Section 6. Notices. Except as otherwise specifically provided in the Procedures, all notices required or permitted to be given pursuant hereto shall be given in writing and delivered by personal delivery or by postage prepaid registered or certified United States first class mail, return receipt requested, or by telex or facsimile (with a confirming copy by mail) addressed as follows:

(i) If to the Trustee:

The Bank of New York Mellon  
2 Hanson Place — Floor 9th  
Brooklyn, NY 11217  
Attn: Jarvis Joseph  
Telephone: (718) 315-7500  
Facsimile: (732) 667-9478  
E-Mail: jarvis.joseph@bnymellon.com

(ii) If to the Sponsor:

ETF Securities USA LLC  
c/o ETF Securities Limited  
Ordnance House

31 Pier Road  
Jersey  
JE4 8PW  
Channel Islands  
Attn: Legal and Compliance  
Telephone: +44 1543 825 200  
Facsimile: [to be provided]  
E-Mail: legal.compliance@etfsl.com

(iii) If to the Authorized Participant:

[AUTHORIZED PARTICIPANT]  
Attn:  
[AP'S ADDRESS]  
Telephone:  
Facsimile:  
Telex:

or such other address as any of the parties hereto shall have communicated in writing to the remaining parties in compliance with the provisions hereof.

Section 7. Effectiveness, Termination and Amendment. This Agreement shall become effective upon execution and delivery by each of the parties hereto. This Agreement may be terminated at any time by any party upon sixty days prior written notice to the other parties and may be terminated earlier by the Trustee or the Sponsor at any time on the event of a breach by the Authorized Participant of any provision of this Agreement (including the Standard Terms incorporated by Section 2 hereof) or the Procedures. This Agreement, along with any other agreement or instrument delivered pursuant to this Agreement, supersedes any prior agreement between or among the parties concerning the matters governed hereby. This Agreement may be amended by the Trustee and the Sponsor from time to time without the consent of the Authorized Participant or any Beneficial Owner by the following procedure: the Trustee or the Sponsor will mail a copy of the amendment to the Authorized Participant in compliance with the notice provisions of this Agreement; if the Authorized Participant does not object in writing to the amendment within fifteen (15) Business Days after receipt of the proposed amendment, the amendment will become part of this Agreement in accordance with its terms. Titles and section headings in this Agreement (and in the Standard Terms incorporated by Section 2 hereof and the Procedures) are included solely for convenient reference and are not a part of this Agreement.

Section 8. Governing Law. This Agreement and all the transactions hereunder shall be governed by and interpreted in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable New York conflict law principles) as to all matters including matters of validity, construction, effect, performance and remedies. The parties irrevocably submit to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in New York City over any suit, action or proceeding arising out of, or relating to, this Agreement.

Section 9. Assignment. No party to this Agreement shall assign any rights, or delegate the performance of any obligations, arising hereunder without the prior written consent of the other parties

hereto, which shall not be unreasonably withheld; provided, that any entity into which a party hereto may be merged or converted, or with which it may be consolidated, or any entity resulting from any merger, consolidation or conversion to which a party hereunder shall be a party, shall be the successor of such party hereto. The party resulting from any such merger, conversion, consolidation or succession shall promptly notify the other parties hereto of the change. Any purported assignment or delegation in violation of these provisions shall be null and void. Notwithstanding the foregoing, any successor Trustee appointed in compliance with the applicable Trust Agreement shall automatically become a party hereto and shall assume all the obligations, and be entitled to all the rights and remedies of the Trustee hereunder with respect to the applicable Trust.

Section 10. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

Section 11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*[Signatures Follow on Next Page]*

IN WITNESS WHEREOF, the parties hereto have executed this Authorized Participant Agreement as of the date set forth above.

**THE BANK OF NEW YORK MELLON**, in its capacity as  
Trustee of the Trusts listed on Schedule A hereto

By: \_\_\_\_\_

Name:  
Title:  
Date:

**ETF SECURITIES USA LLC**, in its capacity as  
Sponsor of the Trusts listed on Schedule A hereto

By: \_\_\_\_\_

Name:  
Title:  
Date:

**[AUTHORIZED PARTICIPANT]**

By: \_\_\_\_\_

Name:  
Title:  
Date:

## SCHEDULE A – APPLICABLE TRUSTS

- ETFS Silver Trust, a trust created under New York law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time.
- ETFS Gold Trust, a trust created under New York law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time.
- ETFS Platinum Trust, a trust created under New York law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time.
- ETFS Palladium Trust, a trust created under New York law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time.
- ETFS Precious Metals Basket Trust, a trust created under New York law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time.
- ETFS White Metals Basket Trust, a trust created under New York law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time.
- ETFS Asian Gold Trust, a trust created under New York law pursuant to that certain Depositary Trust Agreement between the Trustee and the Sponsor, as may be amended from time to time.

*[Delivery Locations, Basket Sizes and Bullion Ounces per Share on Next Page]*

**DELIVERY LOCATIONS, BASKET SIZES  
AND BULLION OUNCES PER SHARE**

Description of Delivery and Basket Sizes:

	<u>Delivery of Bullion</u>	<u>Shares Per Basket</u>	<u>Oz. per Share at Inception</u>
ETFS Physical Silver Shares	Loco-London	100,000	1.0 (Silver)
ETFS Physical Swiss Gold Shares	Loco-Zurich/London	50,000	0.1 (Gold)
ETFS Physical Platinum Shares	Loco-Zurich/London	50,000	0.1 (Platinum)
ETFS Physical Palladium Shares	Loco-Zurich/London	50,000	0.1 (Palladium)
ETFS Physical PM Basket Shares	Loco-London	50,000	0.03 (Gold) & 1.1 (Silver);
	Loco-Zurich/London		0.004 (Platinum) & 0.006(Palladium)
ETFS Physical WM Basket Shares	Loco-London	50,000	1.0 (Silver);
	Loco-Zurich/London		0.01 (Platinum) & 0.008 (Palladium)
ETFS Physical Asian Gold Shares	Loco-London/Singapore	50,000	0.1 (Gold)



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**SECOND AMENDED AND RESTATED  
CREATION AND REDEMPTION PROCEDURES**

Adopted by the Sponsor and Trustee (each as defined below) as of September 27, 2010

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions. For purposes of these Procedures, and the Standard Terms incorporated by reference into the Authorized Participant Agreement to which these Procedures are attached, unless the context otherwise requires, the following terms will have the following meanings:

“**1933 Act**” means the U.S. Securities Act of 1933, as amended.

“**Affiliate**” shall have the meaning given to it by Rule 501(b) under the 1933 Act.

“**AP Indemnified Party**” shall have the meaning ascribed to such term in Section 6.01.a of the Standard Terms.

“**Authorized Participant**” shall have the meaning ascribed to the term in the introductory paragraph of the Authorized Participant Agreement.

“**Authorized Participant Agreement**” shall mean each Authorized Participant Agreement among the Authorized Participant, the Trustee and the Sponsor into which these Creation and Redemption Procedures are attached as Schedule 1 and the Standard Terms and Conditions attached as Schedule 2 shall have been incorporated by reference.

“**Authorized Participant Client**” means any party on whose behalf the Authorized Participant acts in connection with an Order (whether a customer or otherwise).

“**Authorized Representative**” shall mean, with respect to an Authorized Participant, each individual who, pursuant to the provisions of the Authorized Participant Agreement between such Authorized Participant, the Sponsor, and the Trustee, has the power and authority to act on behalf of the Authorized Participant in connection with the placement of Purchase Orders or Redemption Orders and is in possession of the personal identification number (PIN) assigned by the Trustee for use in any communications regarding Purchase or Redemption Orders on behalf of such Authorized Participant.

“**Basket**” shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

“**Basket Amount**” shall mean the specific basket amount term defined in Section 1.1 of the relevant Trust Agreement (e.g., the “Basket Silver Amount” in the case of the ETFS Silver Trust;

the “Basket Gold Amount” in the case of the ETFS Gold Trust and the ETFS Asian Gold Trust; the “Basket Platinum Amount” in the case of the ETFS Platinum Trust; the “Basket Palladium Amount” in the case of the ETFS Palladium Trust; and the “Basket Bullion Amount” in the case of the ETFS Precious Metals Basket Trust and the ETFS White Metals Basket Trust).

“**Benchmark Price**” shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

“**Beneficial Owner**” shall have the meaning given to it by Rule 16a-1(a)(2) of the Securities Exchange Act of 1934.

“**Bullion**” shall mean Silver, Gold, Platinum and/or Palladium as appropriate.

“**Business Day**” shall mean, if and as applicable, (i) each day the exchange on which the relevant Shares trade is open for regular trading, and/or (ii) a London Business Day, and/or (iii) a Zurich Business Day, and/or (iv) a Singapore Business Day.

“**Creation**” means the process that begins when an Authorized Participant first indicates to the Trustee its intention to purchase one or more Baskets of a specified Trust pursuant to these Procedures and concludes with the issuance by the Trustee and Delivery to such Authorized Participant of the corresponding number of that Trust’s Shares.

“**Creation and Redemption Line**” shall mean a telephone number designated as such by the Trustee and specified in Annex I of the Procedures or otherwise communicated to each Authorized Participant in compliance with the notice provisions of the respective Authorized Participant Agreement.

“**Custodial Allocated Account**” shall mean the allocated bullion account established by the Trustee with the Custodian pursuant to the relevant Custodian Agreement.

“**Custodial Unallocated Account**” shall mean the unallocated bullion account established by the Trustee with the Custodian pursuant to the relevant Custodian Agreement.

“**Custodian**” shall mean, with respect to the ETFS Silver Trust, HSBC Bank USA National Association, London Branch and, with respect to the ETFS Gold Trust, the ETFS Platinum Trust, the ETFS Palladium Trust, the ETFS Precious Metals Basket Trust, the ETFS White Metals Basket Trust and the ETFS Asian Gold Trust, JPMorgan Chase Bank, N.A., each in their capacity as custodian under the Custodian Agreements and any successor thereto or additional or other custodian appointed in compliance with the provisions of the relevant Trust Agreements and relevant Custodian Agreement(s).

“**Custodian Agreement**” or “**Custodian Agreements**” shall mean the applicable Custodian Agreement by and between the Trustee and the Custodian with respect to the applicable Trust.

“**Delivery**” shall mean a delivery of Bullion or Shares, as applicable, in each case effected according to the definition of “Deliver” in Section 1.1 of the relevant Trust Agreement.

**“Depositor”** shall mean any Authorized Participant that deposits Bullion into the relevant Trust, either for its own account or on behalf of another Person that is the owner or beneficial owner of that Bullion.

**“Deposit Property”** means property which, in compliance with the provisions of the relevant Trust Agreement, must be transferred by the Authorized Participant to the relevant Trust in exchange for that Trust’s Shares.

**“DTC”** shall mean The Depository Trust Company, its nominees and their respective successors.

**“FINRA”** means the Financial Industry Regulatory Authority.

**“Gold”** shall have the meaning ascribed to the term in Section 1.1 of the Trust Agreements of the ETFs Gold Trust, the ETFs Precious Metals Basket Trust and the ETFs Asian Gold Trust, as applicable, relating to gold.

**“Initial Creation”** shall mean the initial creation of Shares pursuant to the provisions of Section 2.01 hereof.

**“LBMA”** shall mean the London Bullion Market Association.

**“London Business Day”** shall mean a day (other than a Saturday, Sunday or a public holiday in England) on which commercial banks generally and the over-the-counter markets in silver, with respect to ETFs Silver Trust, the ETFs Precious Metals Basket Trust and the ETFs White Metals Basket Trust, and gold, with respect to the ETFs Gold Trust, the ETFs Precious Metals Basket Trust and the ETFs Asian Gold Trust, each as coordinated by the LBMA, and in platinum, with respect to the ETFs Platinum Trust, the ETFs Precious Metals Basket Trust and the ETFs White Metals Basket Trust, and palladium, with respect to the ETFs Palladium Trust, the ETFs Precious Metals Basket Trust and the ETFs White Metals Basket Trust, each as coordinated by the LPPM, are open for the transaction of business in London.

**“LPPM”** shall mean the London Platinum and Palladium Market.

**“Order”** shall have the meaning ascribed to it in Section 1 of the Authorized Participant Agreement.

**“Order Cutoff Time”** shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

**“Order Date”** shall have, (i) with respect to a Purchase Order, the meaning ascribed to the term in Section 2.3(a) of the relevant Trust Agreement; and (ii) with respect to a Redemption Order, the meaning ascribed to the term in Section 2.6(a) of the relevant Trust Agreement.

**“Ounce”** shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

“**Palladium**” shall have the meaning ascribed to the term in Section 1.1 of the Trust Agreements of the ETFS Palladium Trust, the ETFS Precious Metals Basket Trust and the ETFS White Metals Trust, as applicable, relating to palladium.

“**Person**” shall mean any natural person or any limited liability company, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Platinum**” shall have the meaning ascribed to the term in Section 1.1 of the Trust Agreements of the ETFS Platinum Trust, the ETFS Precious Metals Basket Trust and the ETFS White Metals Trust, as applicable, relating to platinum.

“**Procedures**” shall have the meaning ascribed to it in Section 1 of the Authorized Participant Agreement.

“**Prospectus**” or “**Prospectuses**” means the current prospectus of the relevant Trust included in its effective registration statement, as supplemented or amended from time to time.

“**Purchase Order**” shall have the meaning ascribed to it in Section 1 of the Authorized Participant Agreement.

“**Redemption Order**” shall have the meaning ascribed to it in Section 1 of the Authorized Participant Agreement.

“**Shares**” means Shares issued by the relevant Trust pursuant to the provisions of the relevant Trust Agreement.

“**Silver**” shall have the meaning ascribed to the term in Section 1.1 of the Trust Agreements of the ETFS Silver Trust, the ETFS Precious Metals Basket Trust and the ETFS White Metals Trust, as applicable, relating to silver.

“**Singapore Business Day**” shall mean a day (other than a Saturday, Sunday or a public holiday in Singapore) on which commercial banks generally and the over-the-counter markets in gold, with respect to the ETFS Asian Gold Trust, are open for the transaction of business in Singapore.

“**Sponsor**” shall mean ETF Securities USA LLC, a Delaware limited liability company.

“**Sponsor Indemnified Party**” shall have the meaning ascribed to such term in Section 6.01.b of the Standard Terms.

“**Trustee**” shall mean The Bank of New York Mellon, a New York banking corporation, in its capacity as Trustee under each Trust Agreement, and any successor thereto in compliance with the provisions thereof.

“**Trust**” or “**Trusts**” shall have the meanings ascribed to them in the introductory paragraph of the Authorized Participant Agreement.

“**Trust Agreement**” or “**Trust Agreements**” shall have the meanings ascribed to them in the introductory paragraph of the Authorized Participant Agreement.

“**Unallocated Basis**” shall have the meaning ascribed to the term in Section 1.1 of the relevant Trust Agreement.

“**VAT**” shall mean (a) any tax imposed pursuant to or in compliance with the Sixth Directive of the Council of the European Economic Communities (77/388/EEC) including, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto; and (b) any other tax of a similar nature, whether imposed in a member state of the European Union or elsewhere, in substitution for, or levied in addition to, such tax referred to in “(a)”.

“**Zurich Business Day**” shall mean a day (other than a Saturday, Sunday or a public holiday in Switzerland) on which commercial banks generally and the over-the-counter markets in gold, with respect to the ETFS Gold Trust, platinum, with respect to the ETFS Platinum Trust, the ETFS Precious Metals Basket Trust and the ETFS White Metals Basket Trust, and palladium, with respect to the ETFS Palladium Trust, the ETFS Precious Metals Basket Trust and the ETFS White Metals Basket Trust, are open for the transaction of business in Zurich.

Section 1.02. Interpretation. In these Procedures:

Unless otherwise indicated, all references to Sections, clauses, paragraphs, schedules or exhibits, are to Sections, clauses, paragraphs, schedules or exhibits in or to these Procedures.

To the extent that term(s) defined in Section 1.01 apply to a Trust that has not commenced operations as of any relevant date and such Trust is listed or to be listed on Schedule A of the Authorized Participant Agreement, such term(s) shall not be operative and any provisions relating to such a Trust and its Shares contained in the Authorized Participant Agreement shall have no effect until such Trust commences operations and its Trust Agreement and applicable Custodian Agreement have been executed and delivered whereupon such terms and provisions shall become automatically operative and effective without any further action by the parties to the Authorized Participant Agreement.

The words “hereof”, “herein”, “hereunder” and words of similar import shall refer to these Procedures as a whole, and not to any individual provision in which such words may appear.

A reference to any statute, law, decree, rule, regulation or other applicable norm shall be construed as a reference to such statute, law, decree, rule, regulation or other applicable norm as re-enacted, re-designated or amended from time to time.

A reference to any agreement, instrument or document shall be construed as a reference to such agreement, instrument or document as the same may have been amended from time to time in compliance with the provisions thereof.

## ARTICLE II

### CREATION PROCEDURES

Section 2.01. Initial Creation of Shares. The initial creation of Shares of a Trust will take place in compliance with such procedures as the Trustee, the Sponsor and the initial Depositor may agree.

Section 2.02. Subsequent Creation of Shares. After the Initial Creation, the issuance and Delivery of Shares of a specified Trust shall take place only in integral numbers of Baskets in compliance with the following rules:

a. Authorized Participants wishing to acquire from the Trustee one or more Baskets shall place a Purchase Order with the Trustee no later than 3:59:59 p.m. (New York time) on any Business Day. Purchase Orders received by the Trustee on or after the Order Cutoff Time on a Business Day shall be considered received at the opening of business on the next Business Day and shall have as their Order Date such next Business Day.

b. For purposes of Section 2.02a. above, a Purchase Order shall be deemed "received" by the Trustee only when either of the following has occurred no later than 3:59:59 p.m. (New York time):

(i) Telephone/fax Order – An Authorized Representative shall have placed a telephone call to the Trustee's Creation and Redemption Line and has received an Order Number from the Trustee for insertion in the Purchase Order, or

(ii) Web-based Order – An Authorized Representative shall have accessed the Trustee's online services ([www.etservices.bankofny.com](http://www.etservices.bankofny.com))

in either case informing the Trustee that the Authorized Participant wishes to place a Purchase Order for a specified number of Baskets and, in the case of a telephone order, within 15 minutes following such telephone call the Trustee shall have received a properly completed, irrevocable Purchase Order in the form set out in Annex I to these Procedures executed by an Authorized Representative of such Authorized Participant, via facsimile at the number specified in such Annex I.

c. The Trustee shall provide a written summary to the Sponsor and the Custodian of all accepted Purchase Orders for such Order Date no later than 5:30 p.m. (New York time).

d. As soon as reasonably practicable following receipt of a properly completed Purchase Order but not later than 5:30 p.m. (New York time) on the Order Date for such Purchase Order, the Trustee shall send to the Authorized Participant (with copy to the

Custodian), via facsimile or electronic mail message, a copy of the corresponding Purchase Order endorsed "Accepted" by the Trustee and indicating the Basket Amount that the Authorized Participant shall Deliver to the Custodian in respect of each Basket. Prior to the transmission of the Trustee's acceptance as specified above, a Purchase Order will only represent the Authorized Participant's unilateral offer to deposit Bullion in exchange for Baskets of Shares and will have no binding effect upon the Trust or any other party. Following the transmission of the Trustee's acceptance as specified above, a Purchase Order will be a binding agreement among the Trust and the Authorized Participant for the creation and purchase of Baskets of Shares and the deposit of Bullion pursuant to the terms of the Purchase Order and these Procedures. If a Purchase Order is rejected, the Trustee shall send to the Authorized Participant (with copy to the Custodian), via facsimile or electronic mail message, as soon as reasonably practicable, but not later than 5:30 p.m. (New York time) on the Order Date for such Purchase Order, a copy of the corresponding Purchase Order endorsed "Declined" by the Trustee and indicating the reason. The preceding sentence notwithstanding, Purchase Orders not accepted by 5:30 p.m. (New York time) on the Order Date shall be deemed cancelled. A Purchase Order which is not properly completed will be deemed invalid and rejected by the Trustee; the Authorized Participant may submit a corrected Purchase Order within the time period specified in Section 1.09 of the Standard Terms.

e. Each Purchase Order shall settle on the third Business Day following the Order Date. The Basket Amount corresponding to each Basket must be deposited in the Custodial Unallocated Account in unallocated Bullion (i) loco London with respect to Silver for the ETFS Silver Trust, the ETFS Precious Metals Basket Trust and the ETFS White Metals Basket Trust, (ii) loco London with respect to Gold for the ETFS Precious Metals Basket Trust, (iii) loco Zurich or loco London with respect to Gold for the ETFS Gold Trust, (iv) loco Zurich or loco London with respect to Platinum and Palladium for the ETFS Platinum Trust, the ETFS Palladium Trust, the ETFS Precious Metals Basket Trust and the ETFS White Metals Basket Trust, and (v) loco Singapore or loco London with respect to Gold for the ETFS Asian Gold Trust, , no later than 11:00 a.m. (London time) on the third Business Day following the Order Date. With respect to Gold for the ETFS Gold Trust and the ETFS Asian Gold Trust and where the Authorized Participant elects loco London, the Authorized Participant must first agree to the cost of the loco swap with the Custodian and reimburse the Custodian for any amount owed under such swap.

f. The Custodian shall advise the Trustee in writing of the deposits made to the Custodial Allocated Account in connection with each Purchase Order. Upon receipt of such advice, the Trustee shall determine whether a deposit of Bullion required to be made pursuant to Section 2.02e. has not been noted as deposited in the Trustee's Custodial Unallocated Account. In such event, the Trustee shall, by the Trustee's close of business on the second Business Day following the Order Date, (i) send to the Custodian, via electronic mail message, a request that the Custodian confirm that the Custodian did not receive the anticipated deposit of Bullion, and (ii) send to the Authorized Participant whose deposit was not received, via facsimile at the facsimile number specified by the Authorized Participant in the Purchase Order, a concurrent copy of such request.

g. On the third Business Day following the Order Date corresponding to a Purchase Order, or on such earlier date and time as the Trustee in its absolute discretion may agree with

the Authorized Participant, the Trustee shall issue the aggregate number of Shares corresponding to the Baskets ordered by the Authorized Participant and Deliver them, by credit to the account at DTC which the Authorized Participant shall have identified for such purpose in its Purchase Order, provided that, by 9:00 a.m. (New York time) on the date such issuance and Delivery is to take place:

(i) the Custodian shall have reported in writing to the Trustee that the corresponding required amount of Bullion has been deposited in the Trustee's Custodial Unallocated Account in compliance with the provisions of Section 2.02e. above and

(ii) the Authorized Participant shall have paid or agreed to pay the Trustee a per order transaction fee in the amount of US\$500, if applicable.

h. In all other cases, the Trustee shall issue the aggregate number of Shares corresponding to the Baskets ordered by the Authorized Participant and Deliver them by credit to the account at DTC which the Authorized Participant shall have identified for such purpose in its Purchase Order on the Business Day following the date on which all of the conditions set forth in clauses (i) and (ii) of Section 2.02g. above shall have been met. In the event that, by 11:00 a.m. (New York time) on the third Business Day following the Order Date of a Purchase Order, the Trustee's Custodial Unallocated Account shall not have been credited with the required amount of Bullion in compliance with the provisions of section 2.02e. above, the Trustee shall send to the Authorized Participant and the Custodian via fax or electronic mail message notice of such fact and the Authorized Participant shall have two (2) Business Days following receipt of such notice to correct such failure. If such failure is not cured within such two (2) Business Day period, the Trustee shall, unless the Sponsor shall otherwise direct, cancel such Purchase Order and will send via fax or electronic mail message notice of such cancellation to the Authorized Participant and the Custodian, and the Authorized Participant will be solely responsible for all costs incurred by the Trust, the Trustee or the Custodian related to the cancelled Order.

i. The foregoing provisions notwithstanding, neither the Trustee nor the Custodian shall be liable for any failure or delay in making Delivery of Shares in respect of a Purchase Order arising from nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government, public authority, public service or utility problems, power outages resulting in telephone, telecopy and computer failures, act of God such as fires, floods, extreme weather conditions, market conditions or activities causing trading halts, systems failures involving computer or other information systems affecting a Trust, the Trustee, the Custodian or sub-custodian, metal clearing bank delays and similar extraordinary events beyond the Trustee's control. In the event of any such delay, the time to complete Delivery in respect of a Purchase Order will be extended for a period equal to that during which the inability to perform continues.

j. Except as provided in Sections 2.02d., 2.02f. and 2.02h., none of the Trustee, the Sponsor, the Custodian, nor any sub-custodian are under any duty, to give notification of any defects or irregularities in any Purchase Order or the delivery of the Basket Amount, and shall not incur any liability for the failure to give any such notification.

k. Purchase Orders may be rejected under the circumstances specified in the applicable Prospectus.

### ARTICLE III

#### REDEMPTION PROCEDURES

Section 3.01. Redemption of Shares. Redemption of Shares of a specified Trust shall take place only in integral numbers of Baskets in compliance with the following rules:

a. Authorized Participants wishing to redeem one or more Baskets shall place a Redemption Order with the Trustee no later than 3:59:59 p.m. (New York time) on any Business Day. Redemption Orders received by the Trustee on or after the Order Cutoff Time on any Business Day shall be considered received at the opening of business on the next Business Day and shall have as their Order Date such next Business Day.

b. For purposes of Section 3.01a. above, a Redemption Order shall be deemed “received” by the Trustee only when either of the following has occurred no later than 3:59:59 p.m. (New York time):

(i) Telephone/fax Order – An Authorized Representative shall have placed a telephone call to the Trustee’s Creation and Redemption Line and has received an Order Number from the Trustee for insertion in the Redemption Order, or

(ii) Web-based Order – An Authorized Representative shall have accessed the Trustee’s online services ([www.etservices.bankofny.com](http://www.etservices.bankofny.com))

in either case informing the Trustee that the Authorized Participant wishes to place a Redemption Order for a specified number of Baskets and, in the case of a telephone order, within 15 minutes following such telephone call the Trustee shall have received a duly completed, irrevocable Redemption Order in the form set out in Annex I to these Procedures executed by an Authorized Representative of such Authorized Participant, via facsimile at the number specified in such Annex I.

c. Upon receipt of a properly completed Redemption Order, the Trustee shall send to the Authorized Participant (with copy to the Custodian), via facsimile or electronic mail message, as soon as reasonably practicable, but not later than 5:30 p.m. (New York time) on the Order Date for such Redemption Order a copy of the corresponding Redemption Order endorsed “Accepted” by the Trustee and indicating the Basket Amount that the Custodian shall Deliver to the Authorized Participant in respect of each Basket being redeemed.

d. The Trustee shall, by the Trustee’s close of business on the second Business Day following the Order Date of a Redemption Order, confirm in writing to the Custodian whether each of the following has occurred:

(i) the Authorized Participant has Delivered to the Trustee's account at DTC the total number of Shares to be redeemed by such Authorized Participant pursuant to such Redemption Order; and

(ii) the Authorized Participant has paid or agreed to pay the Trustee a per order transaction fee of US\$500, if applicable.

Provided that the Custodian has received written confirmation from the Trustee that the conditions set forth in clauses (i) and (ii) of Section 3.01d. above have been satisfied, the Custodian shall:

(1) on the next following Business Day, Deliver:

- unallocated Silver loco London;
- unallocated Gold loco London (for the ETFS Precious Metals Basket Trust only);
- unallocated Gold loco Zurich (for the ETFS Gold Trust only);
- unallocated Gold loco Singapore (for the ETFS Asian Gold Trust only);
- unallocated Platinum loco Zurich;
- unallocated Platinum loco London;
- unallocated Palladium loco Zurich; and/or
- unallocated Palladium loco London

(as applicable to the specific Redemption Order); and

(2) within the next following three Business Days, Deliver:

- unallocated Gold loco London (for the ETFS Gold Trust and ETFS Asian Gold Trust only)

(as applicable to the specific Redemption Order)

in the amounts specified in the communication sent in compliance with Section 3.01c. above, to the account indicated by the redeeming Authorized Participant in its Redemption Order (which shall be an appropriate bullion account with an LBMA member or LPPM member, as applicable for the type of Bullion involved). With respect to Gold from the ETFS Gold Trust and ETFS Asian Gold Trust and where the Authorized Participant elects loco London delivery, the Authorized Participant must first agree to the cost of the loco swap with the Custodian and reimburse the Custodian for any amount owed under such swap. Having made such Delivery, the Custodian shall send written confirmation thereof to the Trustee who shall then cancel the Shares so redeemed.

e. In all other cases, Delivery must be completed by the Custodian as soon as, in the reasonable judgment of the Custodian, it is practicable following receipt of written confirmation from the Trustee that the conditions set forth in clauses (i) and (ii) of Section 3.01d. above have been satisfied.

f. The foregoing provisions notwithstanding, neither the Trustee nor the Custodian shall be liable for any failure or delay in making Delivery of Bullion in respect of a Redemption Order arising from nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government, public authority, public service or utility problems, power outages resulting in telephone, telecopy and computer failures, act of God such as fires, floods, extreme weather conditions, market conditions or activities causing trading halts, systems failures involving computer or other information systems affecting a Trust, the Trustee, the Custodian or sub-custodian, metal clearing bank delays and similar extraordinary events beyond the Trustee's control. In the event of any such delay, the time to complete Delivery in respect of a Redemption Order will be extended for a period equal to that during which the inability to perform continues.

g. In the event that, by 4:00 p.m. (New York time) on the second Business Day following the Order Date of a Redemption Order, Trustee's account at DTC shall not have been credited with the total number of Shares corresponding to the total number of Baskets to be redeemed pursuant to such Redemption Order, the Trustee shall send to the Authorized Participant and the Custodian via fax or electronic mail message notice of such fact and the Authorized Participant shall have two (2) Business Days following receipt of such notice to correct such failure. If such failure is not cured within such two (2) Business Day period, the Trustee (in consultation with the Sponsor) will cancel such Redemption Order and will send via fax or electronic mail message notice of such cancellation to the Authorized Participant and the Custodian, and the Authorized Participant will be solely responsible for all costs incurred by the Trust, the Trustee or the Custodian related to the cancelled Order. The Trustee is authorized to Deliver the Basket Amount for a Redemption Order notwithstanding that the Basket(s) to be redeemed are not credited to the Trustee's DTC account by 9:00 a.m. (New York time) on the third Business Day following the Order Date of a Redemption Order if the Authorized Participant has collateralized its obligation to deliver the Baskets through DTC's book entry system on such terms as the Sponsor and the Trustee may from time to time agree upon.

h. The redemption of Shares may be suspended or rejected under the circumstances specified in the applicable Prospectus.

*[Signatures Follow on Next Page]*

**IN WITNESS WHEREOF**, the Sponsor and the Trustee have executed these First Amended and Restated Creation and Redemption Procedures as of the date set forth above.

THE BANK OF NEW YORK MELLON, in its capacity as Trustee

By: \_\_\_\_\_

Name:  
Title:

ETF SECURITIES USA LLC, in its capacity as Sponsor

By: \_\_\_\_\_

Name:  
Title:

*[Second Amended and Restated Creation and Redemption Procedures Signature Page]*

**THE BANK OF NEW YORK MELLON, TRUSTEE  
 CREATION/REDEMPTION ORDER FORM  
UNALLOCATED ORDERS ONLY**

CONTACT INFORMATION FOR ORDER EXECUTION:

Telephone order number: (718) 315-7500  
 Fax order number: (732) 667-9478

Participant must complete all items in Part 1. The Trustee in its discretion may reject any order not submitted in proper form.

**I. TO BE COMPLETED BY PARTICIPANT:**

Name of Trust: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_  
 Broker Name: \_\_\_\_\_ Authorized Participant Firm Name: \_\_\_\_\_  
 DTC Participant Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
 Telephone Number: \_\_\_\_\_ Symbol: \_\_\_\_\_

Type of order (Check Creation or Redemption please)

Creation: \_\_\_\_\_ Redemption: \_\_\_\_\_  
 # of Baskets: \_\_\_\_\_ Number of Baskets written out: \_\_\_\_\_  
 Order # \_\_\_\_\_

Please indicate Bullion clearing agent:

*For Silver involving the ETFs Silver Trust only*

HSBC

*For Silver involving the ETFs Precious Metals Basket Trust or the ETFs White Metals Basket Trust and for Gold, Palladium and Platinum*

JP Morgan  Other (please specify clearing agent): \_\_\_\_\_

Account number for Bullion delivery: \_\_\_\_\_

(With respect to Silver only):	loco London	<input type="checkbox"/>		
(With respect to Gold involving the ETFs Precious Metals Basket Trust only):	loco London	<input type="checkbox"/>		
(With respect to Gold involving the ETFs Gold Trust only):	loco London	<input type="checkbox"/>	loco Zurich	<input type="checkbox"/>
(With respect to Gold involving the ETFs Asian Gold Trust only):	loco London	<input type="checkbox"/>	loco Singapore	<input type="checkbox"/>
(With respect to Platinum only):	loco London	<input type="checkbox"/>	loco Zurich	<input type="checkbox"/>
(With respect to Palladium only):	loco London	<input type="checkbox"/>	loco Zurich	<input type="checkbox"/>

This Purchase or Redemption Order is subject to the terms and conditions of the Trust Agreement of the Shares of the Trust as currently in effect and the Authorized Participant Agreement between the Authorized Participant, the Trustee and the Sponsor named therein. All representations and warranties of the Authorized Participant set forth in such Trust Agreement (including, if this is a

Purchase Order, the representations in Section 3.2 of the Trust Agreement) and in the Authorized Participant Agreement are incorporated herein by reference and are true and accurate as of the date hereof.

The undersigned does hereby certify as of the date set forth below that he/she is an Authorized Representative under the Authorized Participant Agreement and that he/she is authorized to deliver this Purchase or Redemption Order to the Trustee on behalf of the Authorized Participant. The Authorized Participant acknowledges and agrees that (1) once accepted by the Trustee, this Purchase or Redemption Order will become a legally binding contract for the delivery by the Authorized Participant of the Basket Amount per Basket for a Purchase Order, or the number of Baskets for a Redemption Order, indicated above, and that the final Basket Amount will be announced at the conclusion of the trading day and, (2) any taxes (including Value Added Taxes) incurred in connection with this transaction will be the responsibility of, and will be reimbursed upon demand from the Custodian or the Trust by, the Authorized Participant if required pursuant to the Authorized Participant Agreement.

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Authorized Representative's Signature

---

Date

**II. TO BE COMPLETED BY TRUSTEE:**

This certifies that the above order has been:

Accepted by the Trustee

\_\_\_\_\_

Declined-Reason:

\_\_\_\_\_

Final # of Ounces:

(Gold)

\_\_\_\_\_

(Silver)

\_\_\_\_\_

(Platinum)

\_\_\_\_\_

(Palladium)

\_\_\_\_\_

Final # of Shares:

\_\_\_\_\_

Final Cash Due to BNYM

\_\_\_\_\_

\_\_\_\_\_

Date

\_\_\_\_\_

Time

\_\_\_\_\_

Authorized Signature of Trustee

\_\_\_\_\_

## ORDER ENTRY SYSTEM TERMS AND CONDITIONS

This Annex II shall govern use by Authorized Participant of the electronic order entry system for placing Purchase Orders and Redemption Orders for Shares (the “**System**”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Schedule 1 of the Authorized Participant Agreement. In the event of any conflict between the terms of this Annex II and the main body of the Authorized Participant Agreement with respect to the placing of Purchase Orders and Redemption Orders, the terms of this Annex II shall control.

1. (a) Authorized Participant shall provide to The Bank of New York Mellon a duly executed authorization letter, in a form satisfactory to The Bank of New York Mellon, identifying those authorized persons who will access the System (the “**Authorized Persons**”). Authorized Participant shall notify The Bank of New York Mellon in writing in the event that any person’s status as an Authorized Person is revoked or terminated as soon as possible, in order to give The Bank of New York Mellon a reasonable opportunity to terminate such Authorized Person’s access to the System.

(b) It is understood and agreed that each Authorized Person shall be designated as an authorized user of Authorized Participant for the purpose of the Authorized Participant Agreement. Upon termination of the Authorized Participant Agreement, the Authorized Participant’s and each Authorized Person’s access rights with respect to System shall be immediately revoked.

2. The Bank of New York Mellon grants to Authorized Participant a personal, nontransferable and nonexclusive license to use the System solely for the purpose of transmitting Purchase Orders and Redemption Orders and otherwise communicating with The Bank of New York Mellon in connection with the same. Authorized Participant shall use the System solely for its own internal and proper business purposes. Except as set forth herein, no license or right of any kind is granted to Authorized Participant with respect to the System. Authorized Participant acknowledges that The Bank of New York Mellon and its suppliers retain and have title and exclusive proprietary rights to the System. Authorized Participant further acknowledges that all or a part of the System may be copyrighted or trademarked (or a registration or claim made therefor) by The Bank of New York Mellon or its suppliers. Authorized Participant shall not take any action with respect to the System inconsistent with the foregoing acknowledgments. Authorized Participant may not copy, distribute, sell, lease or provide, directly or indirectly, the System or any portion thereof to any other person or entity without The Bank of New York Mellon’s prior written consent. Authorized Participant may not remove any statutory copyright notice or other notice included in the System. Authorized Participant shall reproduce any such notice on any reproduction of any portion of the System and shall add any statutory copyright notice or other notice upon The Bank of New York Mellon’s request.

2. (a) Authorized Participant acknowledges that any user manuals or other documentation (whether in hard copy or electronic form) (collectively, the “**Material**”), which is delivered or made available to Authorized Participant regarding the System is the exclusive and confidential property of The Bank of New York Mellon. Authorized Participant shall keep the Material confidential by using the same care and discretion that Authorized Participant uses with respect to its own confidential property and trade secrets, but in no event less than reasonable care. Authorized Participant may make such copies of the Material as is reasonably necessary for Authorized Participant to use the System and shall reproduce The Bank of New York Mellon’s proprietary markings on any such copy. The foregoing shall not in any way be deemed to affect the copyright status of any of the Material which may be copyrighted and shall apply to all Material whether or not copyrighted. THE BANK OF NEW YORK MELLON AND ITS SUPPLIERS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE MATERIAL OR ANY PRODUCT OR SERVICE, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) Upon termination of the Authorized Participant Agreement for any reason, Authorized Participant shall return to The Bank of New York Mellon all copies of the Material which is in Authorized Participant's possession or under its control.

3. Authorized Participant agrees that it shall have sole responsibility for maintaining adequate security and control of the user IDs, passwords and codes for access to the System, which shall not be disclosed to any third party without the prior written consent of The Bank of New York Mellon. The Bank of New York Mellon shall be entitled to rely on the information received by it from the Authorized Participant and The Bank of New York Mellon may assume that all such information was transmitted by or on behalf of an Authorized Person regardless of by whom it was actually transmitted.

4. The Bank of New York Mellon shall have no liability in connection with the use of the System, the access granted to the Authorized Participant and its Authorized Persons hereunder, or any transaction effected or attempted to be effected by the Authorized Participant hereunder, except for damages incurred by the Authorized Participant as a direct result of The Bank of New York Mellon's gross negligence or willful misconduct. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IT IS HEREBY AGREED THAT IN NO EVENT SHALL THE BANK OF NEW YORK MELLON OR ANY MANUFACTURER OR SUPPLIER OF EQUIPMENT, SOFTWARE OR SERVICES BE RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES WHICH THE AUTHORIZED PARTICIPANT MAY INCUR OR EXPERIENCE BY REASON OF ITS HAVING ENTERED INTO OR RELIED ON THIS AGREEMENT, OR IN CONNECTION WITH THE ACCESS GRANTED TO AUTHORIZED PARTICIPANT HEREUNDER, OR ANY TRANSACTION EFFECTED OR ATTEMPTED TO BE EFFECTED BY AUTHORIZED PARTICIPANT HEREUNDER, EVEN IF THE BANK OF NEW YORK MELLON OR SUCH MANUFACTURER OR SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, NOR SHALL THE BANK OF NEW YORK MELLON OR ANY SUCH MANUFACTURER OR SUPPLIER BE LIABLE FOR ACTS OF GOD, MACHINE OR COMPUTER BREAKDOWN OR MALFUNCTION, INTERRUPTION OR MALFUNCTION OF COMMUNICATION FACILITIES, LABOR DIFFICULTIES OR ANY OTHER SIMILAR OR DISSIMILAR CAUSE BEYOND SUCH PERSON'S REASONABLE CONTROL.

5. The Bank of New York Mellon reserves the right to revoke Authorized Participant's access to the System immediately and without notice upon any breach by the Authorized Participant of the terms and conditions of this Annex II.

6. The Bank of New York Mellon shall acknowledge through the System its receipt of each Purchase Order or Redemption Order communicated through the System, and in the absence of such acknowledgment The Bank of New York Mellon shall not be liable for any failure to act in accordance with such orders and Authorized Participant may not claim that such Purchase Order or Redemption Order was received by The Bank of New York Mellon. The Bank of New York Mellon may in its discretion decline to act upon any instructions or communications that are insufficient or incomplete or are not received by The Bank of New York Mellon in sufficient time for The Bank of New York Mellon to act upon, or in accordance with such instructions or communications.

7. Authorized Participant agrees to use reasonable efforts to prevent the transmission through the System of any software or file which contains any viruses, worms, harmful component or corrupted data and agrees not to use any device, software, or routine to interfere or attempt to interfere with the proper working of the Systems.

8. Authorized Participant acknowledges and agrees that encryption may not be available for every communication through the System, or for all data. Authorized Participant agrees that The Bank of New York Mellon may deactivate any encryption features at any time, without notice or liability to Authorized Participant, for the purpose of maintaining, repairing or troubleshooting its systems.

**SCHEDULE 2- STANDARD TERMS**

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ARTICLE I

ORDERS FOR PURCHASE AND REDEMPTION

Section 1.01. Authorization to Purchase and Redeem Baskets. Subject to the provisions of the Authorized Participant Agreement, during the term of the Authorized Participant Agreement the Authorized Participant will be authorized to purchase and redeem Baskets of Shares in compliance with the provisions of the relevant Prospectus.

Section 1.02. Procedures for Orders. Each party hereto agrees to comply with the provisions of the relevant Prospectus and the Procedures to the extent applicable to it.

Section 1.03. Consent to Recording. The phone lines used by the Trustee, the Custodian, the Sponsor and/or their affiliated persons may be recorded, and the Authorized Participant hereby consents to the recording of all calls with any of those parties. In the event that the Trustee, the Custodian, the Sponsor or any of their affiliated persons becomes legally compelled to disclose to any third party any recording involving communications with the Authorized Participant, the Sponsor agrees to provide the Authorized Participant with reasonable advance written notice identifying the recordings to be so disclosed unless prohibited by applicable rule, law or order, together with copies of such recordings, so that the Authorized Participant may seek a protective order or other appropriate remedy with respect to the recordings or waive its right to do so. In the event that such protective order or other remedy is not obtained or the Authorized Participant waives its right to seek such protective order or remedy, the Sponsor will use commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the recorded conversation. The Trustee, the Sponsor or any of their affiliated persons shall not otherwise disclose to any third party any recording involving communications with the Authorized Participant without the Authorized Participant’s express written consent, except the Trustee and the Sponsor may disclose to any regulatory or self-regulatory organization, to the extent required by applicable rule or law, any recording involving communications with the Authorized Participant.

Section 1.04. Irrevocability. The Authorized Participant agrees that delivery to the Trustee of an Order shall be irrevocable; provided that the Trust will reject any Order that is not properly completed. In the event that the purchase or redemption of Baskets is suspended by the Trustee or the Sponsor and such suspension affects any Order submitted by the Authorized Participant, the Trustee or Sponsor, as applicable, will promptly notify the Authorized Participant of such suspension. In such case, the Sponsor agrees to undertake commercially reasonable efforts to accommodate any request by the Authorized Participant to cancel a previously placed Order.

Section 1.05. Costs and Expenses. The Authorized Participant shall be responsible for the expenses and costs incurred by the Trust that can be directly attributable to Orders submitted by the Authorized Participant other than ordinary course expenses and costs which are reimbursed

through payment of the fee contemplated in Section 2.02(g) of the Procedures. The Trustee or the Sponsor shall provide the Authorized Participant with reasonably detailed information relating to such expenses and costs upon request by the Authorized Participant.

Section 1.06. Delivery of Property to the Trust and Shares Surrendered for Redemption. The Authorized Participant understands and agrees that in the event Deposit Property is not transferred to the Trust by the time specified for the Purchase Order, or Shares are not delivered to the Trustee by the time specified for the Redemption Order and, in each such case, in compliance with the Procedures and the relevant Prospectus, the Purchase Order or Redemption Order may be cancelled by the Trustee and the Authorized Participant will be solely responsible for all costs incurred by the Trust, the Trustee or the Custodian related to the cancelled Order. The Authorized Participant will not, however, be responsible for costs incurred by the Trust, the Trustee, or the Custodian related to cancelled Orders where the failure to transfer Deposit Property to the Trust is due to the gross negligence, bad faith, or reckless or willful misconduct of the Trustee, the Sponsor, or the Custodian. The foregoing provisions notwithstanding, the Authorized Participant shall not be liable for any failure or delay in making Delivery of Bullion in respect of a Purchase Order or for any failure or delay in surrendering Shares for redemption arising from nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government, public authority, public service or utility problems, power outages resulting in telephone, telecopy and computer failures, acts of God, such as fires, floods, extreme weather conditions, market conditions or activities causing trading halts, systems failures involving computer or other information systems affecting the Authorized Participant, or similar extraordinary events beyond the Authorized Participant's control. In the event of any such delay, the time to complete Delivery in respect of a Purchase Order or Redemption Order will be extended for a period equal to that during which the inability to perform continues. Upon the deposit of any Bullion, the Authorized Participant as Depositor represents and warrants that (i) the Bullion meets the relevant requirements to be such Bullion and contains the required number of Ounces, (ii) the Authorized Participant is duly authorized to make such deposit of Bullion and (iii) at the time of delivery, the Bullion is free and clear of any lien, pledge, encumbrance, right, charge or claim.

Section 1.07. Title to Deposit Property and Shares Surrendered for Redemption. The Authorized Participant represents and warrants to the Trustee and the Sponsor that

a. in connection with each Purchase Order, the Authorized Participant will have the right and authority to transfer to the Trust the corresponding Deposit Property, and that upon delivery of such Deposit Property to the Custodian and/or the relevant sub-custodian in accordance with the Procedures, the Trust will acquire good and unencumbered title to such property, free and clear of all liens, charges, duties imposed on the transfer of assets and encumbrances and not subject to any adverse claims or transferability restrictions, whether arising by operation of law or otherwise; and

b. in connection with a Redemption Order, the Authorized Participant will have the right and authority to surrender to the Trustee for redemption the corresponding Shares, and upon such surrender the Trust will acquire good and unencumbered title to such Shares, free and clear of all liens, charges, duties imposed on the transfer of assets and encumbrances and not subject to any adverse claims, transferability restrictions (whether arising by operation of law or otherwise), loan, pledge, repurchase or securities lending agreements or other arrangements which, under such circumstances, would

preclude the delivery of such Shares to the Trustee on the third Business Day following the date of the Redemption Order.

Section 1.08. Certain Payments or Distributions.

a. With respect to any Purchase Order, the Trustee acknowledges and agrees to return to the Authorized Participant or any Authorized Participant Client for which it is acting any payment, distribution or other amount paid to the Trust in respect of any Deposit Property transferred to the Trust that, based on the valuation of such Deposit Property at the time of transfer, should have been paid to the Authorized Participant or any Authorized Participant Client. Likewise, the Authorized Participant acknowledges and agrees to return to the Trust any payment, distribution or other amount paid to the Authorized Participant or any Authorized Participant Client in respect of any Deposit Property transferred to the Trust that, based on the valuation of such Deposit Property at the time of transfer, should have been paid to the Trust.

b. With respect to any Redemption Order, the Authorized Participant on behalf of itself and any Authorized Participant Client acknowledges and agrees to return to the Trust any payment, distribution or other amount paid to it or an Authorized Participant Client in respect of any property transferred to the Authorized Participant or any Authorized Participant Client that, based on the valuation of such property at the time of transfer, should have been paid to the Trust. The Trustee is entitled to reduce the amount of any property due to the Authorized Participant or any Authorized Participant Client by an amount equal to any payment, distribution or other sum to be paid to the Authorized Participant or to the Authorized Participant Client in respect of any property transferred to the Authorized Participant or any Authorized Participant Client that, based on the valuation of such property at the time of transfer, should be paid to the Trust. If, however, the Trustee so reduces an amount of any property appropriately due to the Authorized Participant, the Authorized Participant shall not be required to return to the Trust payments, distributions or other amounts equal to such reduction that has been paid to the Authorized Participant or the Authorized Participant Client as is contemplated in the first sentence of this Section 1.08(b). Likewise, the Trust acknowledges and agrees to return to the Authorized Participant or any Authorized Participant Client any payment, distribution or other amount paid to it in respect of any Shares transferred to the Trust that, based on the valuation of such Shares at the time of transfer, should have been paid to the Authorized Participant or such Authorized Participant Client.

Section 1.09. Ambiguous Instructions. In the event that a Purchase Order or Redemption Order contains terms that differ from the information provided in the related telephone call or email transmission, the Trustee will attempt to contact the Authorized Participant to request confirmation of the terms of the order at the telephone number indicated in the Purchase Order or Redemption Order. If an Authorized Representative confirms the terms as they appear in the Purchase Order or Redemption Order, then the order will be accepted and processed. If an Authorized Representative contradicts the terms of the Purchase Order or Redemption Order, the order will be deemed invalid, and a corrected Purchase Order or Redemption Order must be received by the Trustee not later than the earlier of (i) within fifteen (15) minutes of such contact with the Authorized Representative or (ii) thirty (30) minutes after the Order Cutoff Time. For the avoidance of doubt, notwithstanding the invalidation of the initial Purchase Order or Redemption Order pursuant to this paragraph, a Purchase Order or Redemption Order that is

otherwise in proper form shall be deemed submitted at the time of its initial submission for purposes of determining when orders are deemed “received.” If the Trustee is not able to contact an Authorized Person, then the Purchase Order or Redemption Order shall be accepted and processed in accordance with its terms notwithstanding any inconsistency from the terms of the telephone information. In the event that a Purchase Order or Redemption Order contains terms that are illegible, the submission will be deemed invalid and the Trustee will attempt to contact the Authorized Participant to request retransmission. A corrected Purchase Order or Redemption Order must be received by the Trustee, as applicable, not later than the earlier of (i) within fifteen (15) minutes of such contact with the Authorized Participant or (ii) thirty (30) minutes after the Order Cutoff Time.

## ARTICLE II

### AUTHORIZED REPRESENTATIVES

Section 2.01. Certification. Concurrently with the execution of the Authorized Participant Agreement, the Authorized Participant shall deliver to the Trustee a certificate in a form as attached at Schedule 3-A to the Authorized Participant Agreement (an “**Authorized Representative Certificate**”) signed by the Authorized Participant’s Secretary or other duly authorized person setting forth the names, signatures, e-mail addresses and telephone and facsimile numbers of all persons authorized to give instructions relating to any activity contemplated hereby or any other notice, request or instruction on behalf of the Authorized Participant (each an “**Authorized Representative**”). Such certificate may be accepted and relied upon by the Trustee as conclusive evidence of the facts set forth therein and shall be considered to be in full force and effect until (i) receipt by the Trustee of a superseding Authorized Representative Certificate, or (ii) termination of the Authorized Participant Agreement. After such Authorized Representative Certificate is accepted by the Trustee, the Authorized Participant may authorize additional Authorized Representatives to give instructions relating to any activity contemplated hereby or any other notice, request or instruction on behalf of the Authorized Participant by delivering to the Trustee an addendum to the certificate described above in a form as attached at Schedule 3-B to the Authorized Participant Agreement.

Section 2.02. PIN Numbers. The Trustee shall issue to each Authorized Participant a unique personal identification number (“**PIN Number**”) by which such Authorized Participant shall be identified and instructions issued by the Authorized Participant shall be authenticated. The PIN Number shall be kept confidential and only provided to Authorized Representatives. The Authorized Participant may revoke the PIN Number at any time upon written notice to the Trustee, and the Authorized Participant shall be responsible for doing so in the event that it becomes aware that an unauthorized person has received access to its PIN Number or has or intends to use the PIN Number in an unauthorized manner. Upon receipt of such written request, the Trustee shall, as promptly as practicable, de-activate the PIN Number. If an Authorized Participant’s PIN Number is changed, the new PIN Number will become effective on a date mutually agreed upon by the Authorized Participant and the Trustee. Except as otherwise provided in these Standard Terms, the Authorized Participant agrees that, absent the Trustee’s fraud, gross negligence, bad faith or reckless or willful misconduct in failing to cancel the PIN Number promptly following a written request to do so from the Authorized Participant or the termination of the Authorized Participant Agreement, none of the Trust or the Trustee shall be liable for losses incurred by the Authorized Participant as a result of unauthorized use of the Authorized Participant’s PIN Number prior to the time when the Authorized Participant provides

notice to the Trustee of the termination or revocation of authority pursuant to Section 2.03 and the Trustee has de-activated the PIN Number as provided for in this paragraph.

Section 2.03. Termination of Authority. Upon the termination or revocation of authority of an Authorized Representative by the Authorized Participant, the Authorized Participant shall (i) give, as promptly as practicable under the circumstances, written notice of such fact to the Trustee and such notice shall be effective upon receipt by the Trustee; and (ii) request a new PIN Number. The Trustee shall, as promptly as practicable, de-activate the PIN Number upon receipt of such written notice.

Section 2.04. Verification. The Trustee may assume that all instructions issued to it using the Authorized Participant's PIN Number have been properly placed by Authorized Representatives, unless the Trustee has actual knowledge to the contrary or the Authorized Participant has revoked its PIN Number. The Trustee shall have no duty to verify that an Order is being placed by an Authorized Representative that uses a valid PIN Number. The Authorized Participant agrees that the Trustee shall not be responsible, absent the Trustee's fraud, gross negligence, bad faith or reckless or willful misconduct, for any losses incurred by the Authorized Participant as a result of an Authorized Representative identifying himself or herself as a different Authorized Representative or an unauthorized person identifying himself or herself as an Authorized Representative, unless the Trustee previously received from the Authorized Participant written notice to revoke its PIN Number.

### ARTICLE III

#### STATUS OF THE AUTHORIZED PARTICIPANT

Section 3.01. Clearing Status. The Authorized Participant represents, covenants and warrants that, as of the date of execution of the Authorized Participant Agreement, and at all times during the term of the Authorized Participant Agreement, the Authorized Participant is and will be entitled to use the clearing and settlement services of each of the national or international clearing and settlement organizations through which, in compliance with the Procedures, the transactions contemplated hereby will clear and settle. Any change in the foregoing status of the Authorized Participant shall terminate the Authorized Participant Agreement and the Authorized Participant shall give prompt written notice thereof to the Trustee.

Section 3.02. Broker-Dealer Status. The Authorized Participant represents and warrants that, if required under U.S. law, it is (i) registered as a broker-dealer under the Securities Exchange Act of 1934, as amended, (ii) qualified to act as a broker or dealer in the states or other jurisdictions where it transacts business to the extent so required by applicable law, and (iii) a member in good standing with FINRA. The Authorized Participant agrees that it will maintain such registrations, qualifications, and membership in good standing and in full force and effect throughout the term of the Authorized Participant Agreement. The Authorized Participant further agrees to comply with all applicable U.S. federal laws, the laws of the states or other jurisdictions concerned, and the rules and regulations promulgated thereunder, to the extent such laws and regulations are applicable to the Authorized Participant's transactions in Shares, and with the FINRA By-Laws and Conduct Rules of the NASD (or with comparable FINRA Conduct Rules, if such NASD Conduct Rules are subsequently repealed, rescinded, or are otherwise replaced by FINRA Conduct Rules) to the extent the foregoing relates to the Authorized Participant's transactions in, and activities with respect to, Shares, and that it will not

offer or sell Shares in any state or jurisdiction where they may not lawfully be offered and/or sold.

Section 3.03. Foreign Status. If the Authorized Participant is offering and selling Shares in jurisdictions outside the several states, territories and possessions of the United States and is not otherwise required to be registered, qualified, or a member of FINRA as set forth in the preceding paragraph, the Authorized Participant nevertheless agrees to observe the applicable laws of the jurisdiction in which such offer and/or sale is made and to conduct its business in accordance with the FINRA Conduct Rules, to the extent the foregoing relates to the Authorized Participant's transactions in, and activities with respect to, Shares.

Section 3.04. Compliance with Certain Laws. If the Authorized Participant is subject to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "U.S.A. PATRIOT Act"), the Authorized Participant has policies and procedures reasonably designed to comply with the anti-money laundering and related provisions of the U.S.A. PATRIOT Act.

Section 3.05. Authorized Participant Status. The Authorized Participant understands and acknowledges that the method by which Baskets of Shares will be created and traded may raise certain issues under applicable securities laws. For example, because new Baskets of Shares may be issued and sold by the Trust on an ongoing basis, at any point a "distribution", as such term is used in the 1933 Act, may occur.

#### ARTICLE IV

##### ROLE OF AUTHORIZED PARTICIPANT

Section 4.01. No Agency. The Authorized Participant acknowledges and agrees that for all purposes of the Authorized Participant Agreement, the Authorized Participant will have no authority to act as agent for the Trust or the Trustee in any matter or in any respect. The Authorized Participant agrees to make itself and its employees available, upon reasonable request, during normal business hours to consult with the Trustee, the Sponsor or their designees concerning the performance of the Authorized Participant's responsibilities under the Authorized Participant Agreement; *provided, however*, that the Authorized Participant shall be under no obligation to divulge or otherwise disclose any information that the Authorized Participant reasonably believes (i) the disclosure of which to third parties is in violation of any applicable law or regulation or is otherwise prohibited, or (ii) is confidential or proprietary in nature.

Section 4.02. Rights and Obligations of DTC Participant. The Authorized Participant, as a DTC Participant, agrees that it shall be bound by all of the obligations of a DTC Participant in addition to any obligations that it undertakes hereunder or in accordance with the Procedures.

Section 4.03. Beneficial Owner Communications. The Authorized Participant agrees (i) subject to any limitations arising under federal or state securities laws relating to privacy, its internal privacy policies, or other obligations it may have to its customers, to assist the Trustee or the Sponsor in determining certain information regarding sales of Shares made by or through the Authorized Participant (including, without limitation, the ownership level of each beneficial owner relating to positions in Shares that the Authorized Participant may hold as record holder) upon the request of the Trustee or the Sponsor that is necessary for the Trustee or Sponsor to

comply with their obligations to distribute information to beneficial owners of Shares under applicable state or federal securities laws or (ii) in lieu thereof, and at the option of the Authorized Participant, to forward to such beneficial owners written materials and communications received from the Sponsor or the Trustee in sufficient quantities to allow mailing thereof to such beneficial owners, including notices, annual reports, disclosure or other informational materials and any amendments or supplements thereto that may be required to be sent by the Sponsor or the Trustee to such beneficial owners pursuant applicable law or regulation or otherwise, or that the Sponsor or the Trustee reasonably wishes to distribute to such beneficial owners, in each case at the expense of the Sponsor and/or the Trust.

Section 4.04. Authorized Participant Customer Information. The Sponsor and the Trustee agree that the names and addresses and other information concerning the Authorized Participant's customers are and shall remain the sole property of the Authorized Participant, and none of the Sponsor, the Trust, or the Trustee, or any of their respective affiliates shall use such names, addresses or other information for any purpose except in connection with the performance of their duties and responsibilities under the Authorized Participant Agreement, the Procedures, the Standard Terms and the applicable Prospectus and except for servicing and informational mailings related to the Trust(s) referred to in Section 4.03 above.

## ARTICLE V

### MARKETING MATERIALS AND REPRESENTATIONS AND WARRANTIES

Section 5.01. Authorized Participant's Representation. The Authorized Participant represents, warrants and agrees that, in connection with any sale or solicitation of a sale of Shares, it will not make, or permit any of its representatives to make on its behalf, any representations concerning Shares other than those not inconsistent with the Trust's then current Prospectus or any promotional materials or sales literature furnished to the Authorized Participant by the Sponsor. The Authorized Participant agrees not to furnish or cause to be furnished to any person or display or publish any information or materials relating to Shares (excluding, without limitation, promotional materials and sales literature, advertisements, press releases, announcements, statements, posters, signs or other similar materials not inconsistent with the Trust's then current Prospectus and in accordance with applicable laws and regulations, and any materials prepared and used for the Authorized Participant's internal use only or brokerage communications prepared by the Authorized Participant in the normal course of its business), except such information and materials as may be furnished to the Authorized Participant by the Sponsor and such other information and materials as may be approved in writing by the Sponsor. The Authorized Participant understands that the Trust will not be advertised as offering redeemable securities, and that any advertising materials will prominently disclose that the Shares are not redeemable units of beneficial interest in the Trust. Notwithstanding the foregoing, the Authorized Participant and its Affiliates and representatives may, without the approval of the Sponsor, prepare and circulate in the regular course of their respective businesses, research, reports, marketing materials, sales literature or similar materials that include information, opinions or recommendations relating to Shares (i) for public dissemination, provided that such reports, research, marketing materials, sales literature or other similar materials comply with applicable FINRA rules and (ii) for internal use by the Authorized Participant and its Affiliates and representatives.

Section 5.02. Prospectus. The Sponsor will provide, or cause to be provided, to the Authorized Participant copies of the then current Prospectus and any printed supplemental information in reasonable quantities upon request. The Sponsor will, as promptly as practicable under the circumstances, notify the Authorized Participant when a revised, supplemented or amended Prospectus for the Shares is available, and deliver or otherwise make available to the Authorized Participant copies of such revised, supplemented or amended Prospectus at such time and in such quantities as may be reasonable to permit the Authorized Participant to comply with any obligation the Authorized Participant may have to deliver such Prospectus to its customers. The Sponsor will make such revised, supplemented or amended Prospectus available to the Authorized Participant no later than its effective date. The Sponsor shall be deemed to have complied with this Section 5.02 when the Authorized Participant has received such revised, supplemented or amended Prospectus by e-mail, in printable form, with such number of hard copies as may be agreed from time to time by the parties promptly thereafter

## ARTICLE VI

### INDEMNIFICATION; LIMITATION OF LIABILITY

Section 6.01. Indemnification. The provisions of this Section 6.01 shall survive termination of the Agreement.

a. The Authorized Participant shall indemnify and hold harmless the Sponsor, in its capacity as sponsor of the applicable Trust, the Trustee, the Trust and their respective Affiliates, subsidiaries, directors, officers, employees and agents, and each person, if any, who controls such persons within the meaning of Section 15 of the 1933 Act (each an “**AP Indemnified Party**”) from and against any loss, liability, cost and expense (including reasonable attorneys’ fees) incurred by such AP Indemnified Party as a result of (i) any breach by the Authorized Participant of any provision of the Authorized Participant Agreement that relates to the Authorized Participant; (ii) any failure on the part of the Authorized Participant to perform any of its obligations set forth in the Authorized Participant Agreement applicable to it; (iii) any failure by the Authorized Participant to comply in all material respects with applicable laws, including rules and regulations of self-regulatory organizations to the extent such laws, rules and regulations are applicable to the transactions being undertaken pursuant to the Authorized Participant Agreement; or (iv) actions of such AP Indemnified Party pursuant to any instructions issued in accordance with the relevant Prospectus, Authorized Participant Agreement, the Procedures, or the Standard Terms reasonably believed by the AP Indemnified Party to be genuine and to have been given by the Authorized Participant except to the extent that the Authorized Participant had previously revoked a PIN Number used in giving such instructions or representations (where applicable) and such revocation was given by the Authorized Participant and received by the Trustee in accordance with the terms of Section 2.03 hereto. The Authorized Participant shall not be liable under its indemnity agreement contained in this paragraph with respect to any claim made against any AP Indemnified Party unless the AP Indemnified Party shall have notified the Authorized Participant in writing of the claim within a reasonable time after the summons or other first written notification giving information of the nature of the claim was served upon the AP Indemnified Party (or after the AP Indemnified Party shall have received notice of service on any designated agent). However, failure to notify the Authorized Participant of any claim shall not relieve the Authorized Participant from any liability which it may

have to any AP Indemnified Party against whom such action is brought otherwise than on account of its indemnity agreement contained in this paragraph and shall only release it from such liability under this paragraph to the extent it has been materially prejudiced by such failure to give notice. The Authorized Participant shall be entitled to participate at its own expense in the defense, or, if it so elects, to assume the defense of any suit brought to enforce any claims, but if the Authorized Participant elects to assume the defense, the defense shall be conducted by counsel chosen by it and satisfactory to the AP Indemnified Parties in the suit and who shall not, except with consent of the AP Indemnified Parties, be counsel to the Authorized Participant. If the Authorized Participant does not elect to assume the defense of any suit, it will reimburse the AP Indemnified Parties in the suit for the reasonable fees and expenses of any counsel retained by them.

b. The Sponsor hereby agrees to indemnify and hold harmless the Authorized Participant, its Affiliates, subsidiaries, directors, officers, employees and agents, and each person, if any, who controls such persons within the meaning of Section 15 of the 1933 Act (each a "**Sponsor Indemnified Party**") from and against any loss, liability, cost and expense (including reasonable attorneys' fees) incurred by such Sponsor Indemnified Party as a result of (i) any breach by the Sponsor of any provision of the Authorized Participant Agreement that relates to the Sponsor; (ii) any failure on the part of the Sponsor to perform any of its obligations set forth in the Authorized Participant Agreement applicable to it; (iii) any failure on the part of the Sponsor to comply in all material respects with applicable laws, including rules and regulations of self-regulatory organizations to the extent such laws, rules and regulations are applicable to the transactions being undertaken pursuant to the Authorized Participant Agreement; (iv) actions of such Sponsor Indemnified Party pursuant to any instructions issued or representations made in accordance with the relevant Prospectus, Authorized Participant Agreement, the Procedures, or the Standard Terms reasonably believed by the Sponsor Indemnified Party to be genuine and to have been given by the Sponsor; or (v) any untrue statements or omissions made in any promotional material or sales literature furnished to the Authorized Participant by the Sponsor or otherwise approved in writing by the Sponsor. The Sponsor shall not be liable under its indemnity agreement contained in this paragraph with respect to any claim made against any Sponsor Indemnified Party unless the Sponsor Indemnified Party shall have notified the Sponsor in writing of the claim within a reasonable time after the summons or other first written notification giving information of the nature of the claim shall have been served upon the Sponsor Indemnified Party (or after the Sponsor Indemnified Party shall have received notice of service on any designated agent). However, failure to notify the Sponsor of any claim shall not relieve the Sponsor from any liability which it may have to any Sponsor Indemnified Party against whom such action is brought otherwise than on account of its indemnity agreement contained in this paragraph and shall only release it from such liability under this paragraph to the extent it has been materially prejudiced by such failure to give notice. The Sponsor shall be entitled to participate at its own expense in the defense, or, if it so elects, to assume the defense of any suit brought to enforce any claims, but if the Sponsor elects to assume the defense, the defense shall be conducted by counsel chosen by it and satisfactory to the Sponsor Indemnified Parties in the suit and who shall not, except with the consent of the Sponsor Indemnified Parties, be counsel to the Sponsor. If the Sponsor does not elect to assume the defense of any suit, it will

reimburse the Sponsor Indemnified Parties in the suit for the reasonable fees and expenses of any counsel retained by them.

d. No indemnifying party, as described in paragraphs (a) and (b) above, shall, without the written consent of the AP Indemnified Party or the Sponsor Indemnified Party, as the case may be, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the AP Indemnified Party or Sponsor Indemnified Party, as the case may be, from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any AP Indemnified Party or Sponsor Indemnified Party, as the case may be.

e. The Authorized Participant shall not be liable to any AP Indemnified Party for any damages arising out of (i) mistakes or errors in data provided in connection with purchase or redemption transactions except for data provided by the Authorized Participant, or (ii) mistakes or errors by, or arising out of interruptions or delays of communications with, the Trustee or any AP Indemnified Party.

f. The indemnification provided for in Section 6.01(a) shall not apply to the extent any such losses, liabilities, damages, costs and expenses are incurred as a result of any fraud, gross negligence, bad faith or reckless or willful misconduct on the part of an AP Indemnified Party. The indemnification provided for in Section 6.01(b) shall not apply to the extent any such losses, liabilities, damages, costs and expenses are incurred as a result of any fraud, gross negligence, bad faith or reckless or willful misconduct on the part of a Sponsor Indemnified Party.

f. The indemnity agreements contained in this Section 6.01 shall remain in full force and effect and shall survive any termination of this Agreement. The Sponsor and the Authorized Participant agree promptly to notify each other of the commencement of any Proceeding against it and against any of their officers or directors in connection with the issuance and sale of the Shares or in connection with the registration statement or the relevant Prospectus.

## ARTICLE VII

### MISCELLANEOUS

Section 7.01. **Commencement of Trading.** The Authorized Participant may not submit an Order prior to the effectiveness of the registration statement, or amendment to the registration statement, filed with the Securities and Exchange Commission and pursuant to which the Authorized Participant is identified as such in the relevant Prospectus.

*[Signatures Follow on Next Page]*

**IN WITNESS WHEREOF**, the Sponsor and the Trustee have executed these these First Amended and Restated Standard Terms as of the date set forth above.

**THE BANK OF NEW YORK MELLON**, in its capacity as Trustee

By: \_\_\_\_\_

Name:  
Title:

**ETF SECURITIES USA LLC**, in its capacity as Sponsor

By: \_\_\_\_\_

Name:  
Title:

*[First Amended and Restated Standard Terms Signature Page]*

**SCHEDULE 3-A: AUTHORIZED REPRESENTATIVES OF THE AUTHORIZED PARTICIPANT**

Certificate of Authorized Representatives of the Authorized Participant

The following are the names, titles, signatures, phone numbers, and email addresses of all persons (each, an "Authorized Representative") authorized to give instructions relating to any activity contemplated by the Authorized Participant Agreement between [AUTHORIZED PARTICIPANT], The Bank of New York Mellon and ETF Securities USA LLC dated [DATE] (the "Agreement") or any other notice, request or instruction on behalf of the Authorized Participant pursuant to the Agreement.

Name:	_____	Name:	_____
Title:	_____	Title:	_____
Signature:	_____	Signature:	_____
Phone:	_____	Phone:	_____
Email:	_____	Email:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Signature:	_____	Signature:	_____
Phone:	_____	Phone:	_____
Email:	_____	Email:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Signature:	_____	Signature:	_____
Phone:	_____	Phone:	_____
Email:	_____	Email:	_____

The undersigned, [AP'S AUTHORIZED SIGNATORY], does hereby certify that the persons listed above have been duly authorized to act as Authorized Representatives pursuant to the Authorized Participant Agreement.

By: \_\_\_\_\_  
Name:  
Title:  
Date:

**SCHEDULE 3-B: ADDENDUM TO CERTIFICATE OF AUTHORIZED REPRESENTATIVES OF THE AUTHORIZED PARTICIPANT**

[On AP's Firm Letterhead]

[DATE]

Attn: Jarvis Joseph  
The Bank of New York Mellon  
2 Hanson Place — Floor 9th  
Brooklyn, NY 11217  
New York

Re: Addendum to the Certificate of Authorized Representatives for [AUTHORIZED PARTICIPANT] under the Authorized Participant Agreement for the relevant Trusts sponsored by ETF Securities USA LLC dated [DATE] (the "Agreement")

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Ladies and Gentlemen:

Pursuant to the Agreement, the following are the names, titles, signatures, phone numbers, and email addresses of additional Authorized Representatives of [AUTHORIZED PARTICIPANT] (the "AP") authorized to give instructions relating to any activity contemplated by the Agreement or any other notice, request or instruction on behalf of the AP pursuant to the Agreement. This list of Authorized Representatives is an addendum and adds further Authorized Representatives to the AP's most recently executed certificate (entitled "Certificate of Authorized Representatives of the Authorized Participant").

Name: _____	Name: _____
Title: _____	Title: _____
Signature: _____	Signature: _____
Phone: _____	Phone: _____
Email: _____	Email: _____
Name: _____	Name: _____
Title: _____	Title: _____
Signature: _____	Signature: _____
Phone: _____	Phone: _____
Email: _____	Email: _____

Please provide PIN numbers for those listed above.

The undersigned, [AP'S AUTHORIZED SIGNATORY], does hereby certify that the persons listed above have been duly authorized to act as Authorized Representatives pursuant to the Authorized Participant Agreement.

By: \_\_\_\_\_

Name:  
Title:  
Date:

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT  
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Graham Tuckwell, certify that:

I have reviewed this report on Form 10-K of the ETFS Silver Trust (“Trust”);

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
-

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2011

/s/ Graham Tuckwell

\*

Graham Tuckwell\*\*  
Chief Executive Officer and President  
(principal executive officer)

\* The originally executed copy of this Certification will be maintained at the Sponsor's offices and will be made available for inspection upon request.

\*\* The Registrant is a trust and Mr. Tuckwell is signing in his capacity as an officer of ETF Securities USA LLC, the Sponsor of the Registrant.

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT  
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas Quigley, certify that:

I have reviewed this report on Form 10-K of the ETFS Silver Trust (“Trust”);

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
-

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2011

/s/ Thomas Quigley \*

\_\_\_\_\_  
Thomas Quigley\*\*

Chief Financial Officer and Treasurer

(principal financial officer)

\* The originally executed copy of this Certification will be maintained at the Sponsor's offices and will be made available for inspection upon request.

\*\* The Registrant is a trust and Mr. Quigley is signing in his capacity as an officer of ETF Securities USA LLC, the Sponsor of the Registrant.

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of ETFS Silver Trust (the "Trust") on Form 10-K for the period ending December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Graham Tuckwell, principal executive officer of ETF Securities USA LLC, the Sponsor of the Trust, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Trust.

/s/ Graham Tuckwell \*

\_\_\_\_\_  
Graham Tuckwell\*\*

Chief Executive Officer and President

(principal executive officer)

Date: March 15, 2011

\* The originally executed copy of this Certification will be maintained at the Sponsor's offices and will be made available for inspection upon request.

\*\* The Registrant is a trust and Mr. Tuckwell is signing in his capacity as an officer of ETF Securities USA LLC, the sponsor of the Trust.

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of ETFS Silver Trust (the "Trust") on Form 10-K for the period ending December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas Quigley, principal financial officer of ETF Securities USA LLC, the Sponsor of the Trust, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Trust.

/s/ Thomas Quigley \*

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Thomas Quigley\*\*

Chief Financial Officer and Treasurer

(principal financial officer)

Date: March 15, 2011

\* The originally executed copy of this Certification will be maintained at the Sponsor's offices and will be made available for inspection upon request.

\*\* The Registrant is a trust and Mr. Quigley is signing in his capacity as an officer of ETF Securities USA LLC, the sponsor of the Trust.

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