

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

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended March 31, 2011

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from _____ to _____
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)

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

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

10005
(Zip Code)

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

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 (or for such shorter period that the registrant was required to submit and post such files). Yes No

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 definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

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 Exchange Act). Yes No

As of May 9, 2011, ETFs Silver Trust has 17,900,000 ETFs Physical Silver Shares outstanding.

ETFS SILVER TRUST

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2011

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ETF SILVER TRUST

Item 1. Financial Statements (Unaudited)

Condensed Statements of Financial Condition (Unaudited)

At March 31, 2011 and December 31, 2010

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
ASSETS		
Investment in silver (1)	\$ 399,810,388	\$ 329,357,195
Silver receivable	11,303,724	6,099,633
	<u>411,114,112</u>	<u>335,456,828</u>
Total assets	<u>\$ 411,114,112</u>	<u>\$ 335,456,828</u>
LIABILITIES		
Fees payable to Sponsor, net of waiver	\$ 174,267	\$ 124,332
	<u>174,267</u>	<u>124,332</u>
Total liabilities	<u>\$ 174,267</u>	<u>\$ 124,332</u>
REDEEMABLE SHARES		
Shares at redemption value to investors (2)	\$ 704,587,227	\$ 509,311,012
Shareholders' deficit	(293,647,382)	(173,978,516)
	<u>411,114,112</u>	<u>335,456,828</u>
Total liabilities, redeemable Shares & shareholders' deficit	<u>\$ 411,114,112</u>	<u>\$ 335,456,828</u>

(1) The market value of investment in silver as at March 31, 2011 is \$693,457,770 and at December 31, 2010 is \$503,335,711

(2) Authorized share capital is unlimited and no par value per share. Shares issued and outstanding as at March 31, 2011 were 18,700,000 and at December 31, 2010 were 16,700,000.

See Notes to the Unaudited Condensed Financial Statements

ETFS SILVER TRUST

Condensed Statements of Operations (Unaudited)
For the three months ended March 31, 2011 and March 31, 2010

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
REVENUES		
Value of silver transferred to pay expenses	\$ 359,949	\$ 31,096
Cost of silver transferred to pay expenses	(244,350)	(29,693)
Gain on silver transferred to pay expenses	\$ 115,599	\$ 1,403
Gain on silver distributed for the redemption of Shares	3,282,442	7,331,209
Total gain on silver	\$ 3,398,041	\$ 7,332,612
EXPENSES		
Sponsor's Fee, net of waiver (Note 2.7)	\$ 409,883	\$ 61,832
Total expenses	\$ 409,883	\$ 61,832
Net gain from operations	\$ 2,988,158	\$ 7,270,780
<i>Net gain per Share</i>	\$ 0.18	\$ 0.93
<i>Weighted average number of Shares</i>	17,072,223	7,833,333

See Notes to the Unaudited Condensed Financial Statements

ETFs SILVER TRUST

Condensed Statement of Cash Flows (Unaudited)
For the three months ended March 31, 2011 and March 31, 2010

	3 Months Ended March 31, 2011	3 Months Ended March 31, 2010
INCREASE / (DECREASE) IN CASH FROM OPERATIONS:		
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	\$ —	\$ —
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:		
<i>Value of silver received for creation of Shares</i>	\$ 78,728,141	\$ 24,926,646
<i>Value of silver distributed for redemption of Shares - at average cost</i>	\$ 8,030,598	\$ 53,230,705
RECONCILIATION OF NET GAIN / (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net gain from operations	\$ 2,988,158	\$ 7,270,780
Adjustments to reconcile net gain / (loss) to net cash provided by / used in operating activities:		
(Decrease) / increase in silver assets	(70,453,193)	28,333,752
(Increase) in silver receivable	(5,204,091)	—
Increase in unrealized gain on silver receivable	335,272	—
Increase in amounts payable to Sponsor	49,935	30,736
Increase / (decrease) in redeemable Shares:		
Creations	83,596,959	24,926,906
Redemptions	(11,313,040)	(60,562,174)
Net cash provided by operating activities	\$ —	\$ —
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:		
Value of silver transferred to pay expenses	\$ 359,949	\$ 31,096

See Notes to the Unaudited Condensed Financial Statements

ETFS SILVER TRUST

Condensed Statement of Changes in Shareholders' Deficit (Unaudited)
For the three months ended March 31, 2011

	3 Months Ended March 31, 2011
Shareholders' deficit - opening balance	\$ (173,978,516)
Net gain for the period	2,988,158
Adjustment of redeemable Shares to redemption value	(122,992,296)
Adjustment of silver receivable to market value	335,272
Shareholders' deficit - closing balance	\$ (293,647,382)

See Notes to the Unaudited Condensed Financial Statements

ETF SILVER TRUST

Notes to the Unaudited Condensed Financial Statements

1. Organization

The ETF Silver Trust (the “Trust”) is an investment trust formed on July 20, 2009 (the “Date of Inception”) 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 shares (“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 the 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 and 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. The fiscal year end for the Trust is December 31.

The accompanying unaudited financial statements were prepared in accordance with the accounting principles generally accepted in the United States of America for interim financial information and with the instructions for the Form 10-Q. In the opinion of management of the Sponsor, all adjustments (which include normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows as of and for the three months ended March 31, 2011 have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These condensed financial statements should be read in conjunction with the Trust’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010. The results of operations for the three months ended March 31, 2011 are not necessarily indicative of the operating results for the full year.

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 (the “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 London Fix price for 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.

ETFS SILVER TRUST

2. Significant Accounting Policies (Continued)

2.1. Valuation of Silver (Continued)

The table below summarizes the unrealized gains or losses on the Trust's silver holdings as of March 31, 2011:

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
Investment in silver - average cost	\$ 399,810,388	\$ 329,357,195
Unrealized gain on investment in silver	293,647,382	173,978,516
	<u>693,457,770</u>	<u>503,335,711</u>
Investment in silver - market value	\$ 693,457,770	\$ 503,335,711

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. As of March 31, 2011 there was \$11,303,724 of silver receivable and \$0 silver payable and as of December 31, 2010 there was \$6,099,633 of silver receivable and \$0 of silver payable.

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 (4) has established an Authorized Participant Unallocated Account with the Trust's Custodian. 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 or a silver clearing bank 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.

ETFS SILVER TRUST

2. Significant Accounting Policies (Continued)

2.3. Creations and Redemptions of Shares (Continued)

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. Changes in the Shares for the three months ended March 31, 2011 and for the year ended December 31, 2010 are as follows:

	Three Months Ended March 31, 2011	Year Ended December 31, 2011
Number of redeemable Shares		
Opening balance	16,700,000	9,200,000
Creations	2,400,000	11,200,000
Redemptions	(400,000)	(3,700,000)
Closing balance	<u>18,700,000</u>	<u>16,700,000</u>
Redeemable Shares		
Opening balance	\$ 509,311,012	\$ 156,066,265
Creations	83,596,959	253,323,773
Redemptions	(11,313,040)	(65,395,525)
Adjustment to redemption value	122,992,296	165,316,499
Closing balance	<u>\$ 704,587,227</u>	<u>\$ 509,311,012</u>
Redemption value per Share at period end	\$ 37.68	\$ 30.50

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 Fix, or such other publicly available price that the Sponsor deems fair, in each case as set 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.

ETFS SILVER TRUST

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). The Sponsor has evaluated the application of ASC 740 to the Trust, to determine whether or not there are uncertain tax positions that require financial statement recognition. Based on this evaluation, the Trust has determined no reserves for uncertain tax positions are required to be recorded as a result of the application of ASC 740. As a result, no income tax liability or expense has been recorded in the accompanying financial statements.

2.6. Investment in Silver

The following represents the changes in ounces of silver and the respective values for the three months ended March 31, 2011 and for the year ended December 31, 2010:

	Three Months Ended March 31, 2011	Year Ended December 31, 2010
Ounces of silver		
Opening balance	16,432,768.8	9,185,771.9
Creations (excluding silver receivable at March 31, 2011 of 298,487.6 & December 31, 2010 - 199,139.2)	2,289,000.3	10,964,004.5
Redemptions	(398,206.3)	(3,693,621.5)
Transfers of Silver	(12,029.4)	(23,386.1)
Closing balance	<u>18,311,533.4</u>	<u>16,432,768.8</u>
Investment in silver (lower of cost or market)		
Opening balance	\$ 329,357,195	\$ 139,223,967
Creations (excluding silver receivable at March 31, 2011 of \$11,303,724 & December 31, 2010 \$6,099,633)	78,728,141	247,261,376
Redemptions	(8,030,598)	(56,738,458)
Transfers of silver	(244,350)	(389,690)
Closing balance	<u>\$ 399,810,388</u>	<u>\$ 329,357,195</u>

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 net asset value (“ANAV”) of the Trust, paid monthly in arrears. Presently, the Sponsor is continuing to waive a portion of its fee and reduce the Sponsor’s Fee to 0.30% (which it has done since the Date of Inception).

2. Significant Accounting Policies (Continued)

2.7. Expenses (Continued)

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.

For the three months ended March 31, 2011 and March 31, 2010 the Sponsor's Fee was \$409,883 and \$61,832 respectively. At March 31, 2011, and at December 31, 2010, the fees payable to the Sponsor were \$174,267 and \$124,332 respectively. As a result of the waiver, fees waived for the quarter ending March 31, 2011 were \$204,942 (quarter ending March 31, 2010: \$48,848).

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.

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 of 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.

6. 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 filing date. On April 28, 2011, the Trust submitted an S-3 filing to the SEC, as the Trust is deemed to be a well-known seasoned issuer under SEC rules.

Item 2. 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 in Item 1 of Part 1 of this Form 10-Q. The discussion and analysis that follows may contain forward-looking statements with respect to the Trust’s financial conditions, operations, future performance and business. These statements can be identified by the use of the words “may”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or similar words and phrases. These statements are based upon certain assumptions and analyses the Sponsor has made based on its perception of historical trends, current conditions and expected future developments. 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 reflect a change in management’s expectations or predictions.

Introduction

The Trust is a common law trust, formed under the laws of the state of New York on the Date of Inception. The Trust is not managed like a corporation or an active investment vehicle. It does not have any officers, directors or employees and is administered by the Trustee pursuant to the Trust Agreement. 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. It will not hold or trade in commodity futures contracts, nor is it a commodity pool, subject to regulation as a commodity pool operator or a commodity trading adviser in connection with issuing Shares.

The Trust holds silver and is expected to issue Baskets in exchange for deposits of silver, and to distribute silver in connection with redemptions of Baskets. Shares issued by the Trust represent units of undivided beneficial interest in and ownership of the Trust. The investment objective of the Trust is for the Shares to reflect the performance of the price of silver, less the Trust’s expenses. The Sponsor believes that, for many investors, the Shares will represent a cost effective investment relative to traditional means of investing in silver.

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.

Shares of the Trust trade on the New York Stock Exchange (the “NYSE”) Arca under the symbol “SIVR”.

Valuation of Silver and Computation of Net Asset Value

As of the London Fix on each day that the NYSE Arca is open for regular trading or as soon as practicable after 4:00 p.m. New York time on such day (the “Evaluation Time”), the Trustee values the silver held by the Trust and determines both the ANAV and the NAV of the Trust.

At the Evaluation Time, the Trustee values the Trust’s silver on the basis of that day’s London Fix, or, if no London Fix is made on such day or has not been announced by the Evaluation Time, the next most recent London Fix determined prior to the Evaluation Time is used, unless the Sponsor determines that such price is inappropriate as a basis for valuation. In the case this determination is made, the Sponsor will identify an alternative basis for such evaluation to be used by the Trustee.

Once the value of the silver held by the Trust has been determined, the Trustee subtracts all estimated accrued but unpaid fees and other liabilities of the Trust from the total value of the silver and all other assets of the Trust. The resulting figure is the ANAV of the Trust. The ANAV is used to compute the Sponsor’s Fee.

The Trustee then subtracts from the ANAV the amount of accrued Sponsor’s Fees computed for such day to determine the net asset value (“NAV”) of the Trust. The Trustee also determines the NAV per Share by dividing the NAV of the Trust by the number of Shares outstanding as of the close of trading on the NYSE Arca.

The Quarter Ended March 31, 2011

The NAV of the Trust is obtained by subtracting the Trust's expenses and liabilities on any day from the value of the silver owned or receivable 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 \$509,311,012 at December 31, 2010 to \$704,587,227 at March 31, 2011, a 38.34% increase for the quarter. The increase in the Trust's NAV resulted primarily from an increase in the price per ounce of silver, which rose 23.64% from \$30.63 at December 31, 2010 to \$37.87 at March 31, 2011 and an increase in outstanding Shares, which rose from 16,700,000 Shares at December 31, 2010 to 18,700,000 Shares at March 31, 2011, a result of 2,400,000 Shares (24 Baskets) being created and 400,000 Shares (4 Baskets) being redeemed during the quarter.

NAV per Share increased 23.54% from \$30.50 at December 31, 2010 to \$37.68 at March 31, 2011. 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 \$409,883 for the period, or 0.30% of the Trust's assets on an annualized basis.

The NAV per Share of \$37.68 at March 31, 2011 was the highest during the quarter, compared with a low of \$26.56 at January 28, 2011.

Net gain from operations for the quarter ended March 31, 2011 was \$2,988,158, resulting from a net gain of \$115,599 on the transfer of silver to pay expenses and a net gain of \$3,282,442 on silver distributed for the redemption of Shares, offset by Sponsor's Fees of \$409,883. Other than the Sponsor's Fee, the Trust had no expenses during the quarter ended March 31, 2011.

Liquidity & Capital Resources

The Trust is not aware of any trends, demands, commitments, events or uncertainties that are reasonably likely to result in material changes to its liquidity needs. In exchange for the Sponsor's 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 March 31, 2011 the Trust did not have any cash balances.

Off-Balance Sheet Arrangements

The Trust has no off-balance sheet arrangements.

Critical Accounting Estimates

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. In addition, please refer to Note 2 to the financial statements for further discussion of accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. 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 Trusts disclosure controls and procedures, as defined under Exchange Act Rules 13a-15(e) and 15(d)-15(e). Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer of the Sponsor concluded that, as of March 31, 2011, the Trust's disclosure controls and procedures were effective.

There have been no changes in the Trust's or Sponsor's internal control over financial reporting that occurred during the Trust's fiscal quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, the Trust's or Sponsor's internal control over financial reporting.

Item 4T. Controls and Procedures

Not applicable.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in the Trust's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 2(a). None.

Item 2(b). Not applicable.

Item 2(c). For the three months ended March 31, 2011:

24 Baskets were created.

4 Baskets were redeemed.

Period	Total Baskets Redeemed	Total Shares Redeemed	Average Ounces of Silver Per Share
January 2011	4	400,000	0.996
February 2011	—	—	—
March 2011	—	—	—
Total	4	400,000	0.996

Item 3. Defaults Upon Senior Securities

None.

Item 4. (Removed and Reserved)

None.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits

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.

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 thereunto duly authorized.

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

Date: May 10, 2011

/s/ Graham Tuckwell

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

Date: May 10, 2011

/s/ Thomas Quigley

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

* 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.

Exhibit 31.1

FORM OF CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

CERTIFICATIONS

I, Graham Tuckwell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ETFS Silver Trust;
2. 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;
3. 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;
4. 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. 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 of 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: May 10, 2011

/s/ Graham Tuckwell

Graham Tuckwell

President and Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

FORM OF CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

CERTIFICATIONS

I, Thomas Quigley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ETFS Silver Trust;
2. 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;
3. 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;
4. 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. 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 of 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: May 10, 2011

/s/ Thomas Quigley

Thomas Quigley

Chief Financial Officer and Treasurer

(Principal Financial Officer and Principal
Accounting Officer)

Exhibit 32.1

**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 Quarterly Report of ETFS Silver Trust (the "Company") on Form 10-Q for the period ended March 31, 2011 as filed with the Securities and Exchange Commission on May 10, 2011 (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2011

/s/ Graham Tuckwell

Graham Tuckwell

President and Chief Executive Officer

(Principal Executive Officer)

* 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.

Exhibit 32.2

**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 Quarterly Report of ETFS Silver Trust (the "Company") on Form 10-Q for the period ended March 31, 2011 as filed with the Securities and Exchange Commission on May 10, 2011 (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2011

/s/ Thomas Quigley

Thomas Quigley

Chief Financial Officer and Treasurer

(Principal Financial Officer and Principal
Accounting Officer)

* 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.
