

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: 001-34916

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**ETFs WHITE METALS BASKET TRUST**

(Exact name of registrant as specified in its charter)

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

**27-2780294**  
(I.R.S. Employer Identification No.)

**c/o ETF Securities USA LLC**  
**48 Wall Street, 11<sup>th</sup> 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

950,000 Shares outstanding as of May 12, 2011

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ETFS WHITE METALS BASKET TRUST

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2011

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ETFS WHITE METALS BASKET TRUST

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Condensed Statements of Financial Condition (Unaudited)  
At March 31, 2011 and December 31, 2010

	March 31, 2011	December 31, 2010
<b>ASSETS</b>		
Investment in Bullion, at cost (1)		
Silver	\$ 32,468,073	\$ 20,136,128
Platinum	18,924,808	11,802,916
Palladium	6,611,913	4,087,618
	58,004,794	36,026,662
Bullion receivable	3,080,451	—
Total assets	\$ 61,085,245	\$ 36,026,662
<b>LIABILITIES</b>		
Fees payable to Sponsor	\$ 34,189	\$ 14,675
Total liabilities	\$ 34,189	\$ 14,675
<b>REDEEMABLE SHARES:</b>		
Shares at redemption value to investors (2)	\$ 70,848,056	\$ 37,969,441
Shareholders' deficit	(9,797,000)	(1,957,454)
Total liabilities, redeemable Shares & shareholders' deficit	\$ 61,085,245	\$ 36,026,662

(1) The market value of investment in Bullion at March 31, 2011 is \$67,801,794 and at December 31, 2010 is \$37,984,116. Refer to Note 2.1 for a breakdown of market value per metal.

(2) Authorized share capital is unlimited and no par value per share. Shares issued and outstanding at March 31, 2010 were 1,150,000 and at December 31, 2010 were 700,000.

*See Notes to the Unaudited Condensed Financial Statements.*

## Condensed Statement of Operations (Unaudited)

For the three months ended March 31, 2011

	<b>Three Months Ended March 31, 2011</b>
<b>REVENUES</b>	
Value of Bullion transferred to pay expenses	\$ 61,749
Cost of Bullion transferred to pay expenses	(58,856)
Gain on Bullion transferred to pay expenses	\$ 2,893
Gain on Bullion distributed for the redemption of Shares	\$ —
Total gain on Bullion	\$ 2,893
<b>EXPENSES</b>	
Sponsor's Fee (Note 2.7)	\$ 81,262
Total expenses	\$ 81,262
Net loss from operations	(78,369)
<i>Net loss per Share</i>	\$ (0.08)
<i>Weighted average number of Shares</i>	966,111

*See Notes to the Unaudited Condensed Financial Statements*

## Condensed Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2011

	<b>Three Months Ended March 31, 2011</b>
	<b>_____</b>
<b>INCREASE / (DECREASE) IN CASH FROM OPERATIONS:</b>	
Cash proceeds received from transfer of Bullion	\$ —
Cash expenses paid	—
	<b>_____</b>
Increase in cash resulting from operations	—
Cash and cash equivalents at beginning of period	—
	<b>_____</b>
Cash and cash equivalents at end of period	\$ —
	<b>_____</b>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:</b>	
<i>Value of Bullion received for creation of Shares</i>	\$ 22,036,988
<i>Value of Bullion distributed for redemption of Shares - at average cost</i>	\$ —
	<b>_____</b>
	<b>Three Months Ended March 31, 2011</b>
	<b>_____</b>
<b>RECONCILIATION OF NET (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Net loss from operations	\$ (78,369)
Adjustments to reconcile net (loss) to net cash provided by operating activities:	
(Increase) in Bullion assets	(21,978,132)
(Increase) in Bullion receivable	(3,080,451)
Increase in unrealized gain on Bullion receivable	85,534
Increase in accounts payable to Sponsor	19,514
Increase/(decrease) in redeemable shares:	
Creations	25,031,904
Redemptions	—
	<b>_____</b>
Net cash provided by operating activities	\$ —
	<b>_____</b>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH ITEM:</b>	
Value of Bullion transferred to pay expenses	\$ 61,749

*See Notes to the Unaudited Condensed Financial Statements.*

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

	<b>Three Months Ended March 31, 2011</b>
Shareholders' deficit - opening balance	\$ (1,957,454)
Net loss for the period	(78,369)
Adjustment of redeemable Shares to redemption value	(7,846,711)
Adjustment of Bullion receivable to market value	85,534
Shareholders' deficit - closing balance	<u>\$ (9,797,000)</u>

*See Notes to the Unaudited Condensed Financial Statements.*

# ETFS WHITE METALS BASKET TRUST

## Notes to the Unaudited Condensed Financial Statements

### 1. Organization

The ETFS White Metals Basket Trust (the "Trust") is an investment trust formed on November 29, 2010, 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, platinum and palladium in set ratios (together, "Bullion") and issues shares ("Shares") (in minimum blocks of 50,000 Shares, referred to as "Baskets") in exchange for deposits of Bullion and distributes Bullion 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, platinum and palladium, 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, platinum and palladium 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 Bullion

Bullion is held by JPMorgan Chase Bank, N.A. (the "Custodian"), on behalf of the Trust, at its London, England vaulting premises on a segregated basis. The allocated platinum and palladium is held by UBS AG (the "Zurich Sub-Custodian") at its Zurich, Switzerland vaulting premises on a segregated basis. The Trust's Bullion is valued, per individual metal type, for financial statement purposes, the lower of cost or market. The cost of Bullion is determined according to the average cost method and the market value is based on the London Fix for each metal held by the Trust used to determine the NAV of the Trust. Realized gains and losses on sales of Bullion, or Bullion distributed for the redemption of Shares, are calculated on a trade date basis using average cost.

Once the value of Bullion has been determined, the NAV is computed by the Trustee by deducting all accrued fees, expenses and other liabilities of the Trust, including the remuneration to the Sponsor ("Sponsor's Fee"), from the fair value of the Bullion and all other assets held by the Trust.

**ETFS WHITE METALS BASKET TRUST**

**2. Significant Accounting Policies (Continued)**

**2.1 Valuation of Bullion (Continued)**

The table below summarizes the unrealized gains on the Trust's Bullion holdings as of March 31, 2011 and for the period from November 29, 2010 (the "Date of Inception") through December 31, 2010:

	<b>March 31, 2011</b>			<b>Total</b>
	<b>Silver</b>	<b>Platinum</b>	<b>Palladium</b>	
Investment in Bullion-average cost	\$ 32,468,073	\$ 18,924,808	\$ 6,611,913	\$ 58,004,794
Unrealized gain on investment in Bullion	9,128,138	549,794	119,068	9,797,000
<b>Investment in Bullion-market value</b>	<b>\$ 41,596,211</b>	<b>\$ 19,474,602</b>	<b>\$ 6,730,981</b>	<b>\$ 67,801,794</b>

  

	<b>December 31, 2010</b>			<b>Total</b>
	<b>Silver</b>	<b>Platinum</b>	<b>Palladium</b>	
Investment in Bullion-average cost	\$ 20,136,128	\$ 11,802,916	\$ 4,087,618	\$ 36,026,662
Unrealized gain on investment in Bullion	1,302,903	312,978	341,573	1,957,454
<b>Investment in Bullion-market value</b>	<b>\$ 21,439,031</b>	<b>\$ 12,115,894</b>	<b>\$ 4,429,191</b>	<b>\$ 37,984,116</b>

The Trust recognizes the diminution in value of the investment in Bullion which arises from market declines on an interim basis. Increases in the value of the investment in Bullion 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 Bullion exchanged for a purchase or redemption is calculated daily by the Trustee, using the London Fix for each metal held by the Trust to calculate the Bullion amount in respect of any liabilities for which covering Bullion sales have not yet been made, and represents the per-Share amount of Bullion held by the Trust, after giving effect to its liabilities, to cover expenses and liabilities and any losses that may have occurred.

**2.2. Bullion Receivable and Payable**

Bullion receivable or payable represents the quantity of Bullion covered by contractually binding orders for the creation or redemption of Shares respectively, where the Bullion has not yet been transferred to or from the Trust's account. Generally, ownership of the Bullion is transferred within three days of the trade date. As of March 31, 2011 there was \$3,080,451 of Bullion receivable and \$0 of Bullion payable and as of December 31, 2010 there was no Bullion receivable and no Bullion 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 50,000 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 registered as a 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 Bullion required for such creations and redemptions. An Authorized Participant Unallocated Account is an unallocated Bullion account, either loco London or loco Zurich, established with the Custodian or a Bullion clearing bank by an Authorized Participant.

**ETFS WHITE METALS BASKET TRUST**

**2. Significant Accounting Policies (Continued)**

**2.3 Creations and Redemptions of Shares (Continued)**

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 Bullion and any cash 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 Bullion is exchanged in settlement of redemption, it is considered a sale of Bullion 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. Changes in the Shares for March 31, 2011 and for the period from November 29, 2010 (the “Date of Inception”) through December 31, 2010 are as follows:

	<b>Three Months Ended March 31, 2011</b>	<b>For the period November 29, 2010* through December 31, 2010</b>
<b><u>Number of Redeemable Shares:</u></b>		
Opening Balance	700,000	—
Creations	450,000	700,000
Redemptions	—	—
Closing Balance	<u>1,150,000</u>	<u>700,000</u>
	<b>Three Months Ended March 31, 2011</b>	<b>For the period November 29, 2010* through December 31, 2010</b>
<b><u>Redeemable Shares:</u></b>		
Opening Balance	\$ 37,969,441	\$ —
Creations	25,031,904	36,026,662
Redemptions	—	—
Adjustment to redemption value	7,846,711	1,942,779
Closing Balance	<u>\$ 70,848,056</u>	<u>\$ 37,969,441</u>
Redemption value per Share at period end	\$ 61.61	\$ 54.24

\*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 Bullion 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 Bullion as necessary to pay these expenses. When selling Bullion to pay expenses, the Trustee will endeavor to sell the smallest amounts of Bullion needed to pay these expenses in order to minimize the Trust’s holdings of assets other than Bullion.

ETFS WHITE METALS BASKET TRUST

2. Significant Accounting Policies (Continued)

2.4 Revenue Recognition Policy (Continued)

Unless otherwise directed by the Sponsor, when selling Bullion the Trustee will endeavor to sell at the price established by the London Fix for each metal held by the Trust. 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 Bullion only if the sale transaction is made at the London Fix for each metal held by the Trust used by the Trustee to value the Trust's Bullion. A gain or loss is recognized based on the difference between the selling price and the average cost of the Bullion sold. Neither the Trustee nor the Sponsor is liable for depreciation or loss incurred by reason of any sale.

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*. 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 Bullion

The following represents the changes in ounces of Bullion and the respective values for the three months ended March 31, 2011 and for the period from November 29, 2010 (the "Date of Inception") through December 31, 2010:

	Three Months Ended March 31, 2011			Total
	Silver	Platinum	Palladium	
<b>Ounces of Bullion:</b>				
Opening Balance	699,935.7	6,999.4	5,599.5	712,534.6
Creations (excluding Bullion receivables of 49,903.6, 499.0 and 399.2, respectively)	399,601.2	3,996.0	3,196.8	406,794.0
Redemptions	—	—	—	—
Transfers of Bullion	(1,140.9)	(11.4)	(9.1)	(1,161.4)
Closing Balance	1,098,396.0	10,984.0	8,787.2	1,118,167.2
<b>Investment in Bullion (lower of cost or market):</b>				
Opening Balance	\$ 20,136,128	\$ 11,802,916	\$ 4,087,618	\$ 36,026,662
Creations (excluding Bullion receivables of \$1,889,851, \$884,791, and \$305,809, respectively)	12,364,656	7,141,291	2,531,041	22,036,988
Redemptions	—	—	—	—
Transfers of Bullion	(32,711)	(19,399)	(6,746)	(58,856)
Closing Balance	\$ 32,468,073	\$ 18,924,808	\$ 6,611,913	\$ 58,004,794

**ETFS WHITE METALS BASKET TRUST**

**2. Significant Accounting Policies (Continued)**

**2.6 Investment in Bullion (Continued)**

	For the period November 29, 2010* to December 31, 2010			Total
	Silver	Platinum	Palladium	
<b>Ounces of Bullion:</b>				
Opening Balance	—	—	—	—
Creations	699,935.7	6,999.4	5,599.5	712,534.6
Redemptions	—	—	—	—
Transfers of Bullion	—	—	—	—
Closing Balance	699,935.7	6,999.4	5,599.5	712,534.6
<b>Investment in Bullion (lower of cost or market):</b>				
Opening Balance	\$ —	\$ —	\$ —	\$ —
Creations	20,136,128	11,802,916	4,087,618	36,026,662
Redemptions	—	—	—	—
Transfers of Bullion	—	—	—	—
Closing Balance	\$ 20,136,128	\$ 11,802,916	\$ 4,087,618	\$ 36,026,662

\* Date of inception

**2.7. Expenses**

The Trust will transfer Bullion to the Sponsor to pay the Sponsor's Fee that will accrue daily at an annualized rate equal to 0.60% of the adjusted daily net asset value (the "ANAV") of the Trust, paid monthly in arrears.

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, the Sponsor's Fee was \$81,262. At March 31, 2011, and at December 31, 2010, the fees payable to the Sponsor were \$34,189 and \$14,675 respectively.

**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 Custodian and its affiliates may from time to time act as Authorized Participants or purchase or sell Bullion 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 Bullion, and substantially all the Trust's assets are holdings of Bullion which creates a concentration risk associated with fluctuations in the price of Bullion. Several factors could affect the price of Bullion, including: (i) global Bullion supply and demand, which is influenced by factors such as forward selling by Bullion producers, purchases made by Bullion producers to unwind Bullion hedge positions, central bank purchases and sales, and production and cost levels in major Bullion-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 Bullion will maintain its long-term value in terms of purchasing power in the future. In the event that the price of Bullion 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.

**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 ETFS White Metals Basket Trust (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 Depositary Trust Agreement (the "Trust Agreement") between the Trustee and ETF Securities USA LLC, the Sponsor of the Trust (the "Sponsor"). 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, platinum and palladium bullion (collectively, "Bullion") 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 Bullion. Shares are issued in Baskets in exchange for deposits of Bullion, and to distribute Bullion in connection with redemptions of Baskets. A Basket consists of 50,000 Shares. The investment objective of the Trust is for the Shares to reflect the performance of the price of silver, platinum and palladium in the proportions held by the Trust, less the Trust's expenses. The Trust holds Bullion in a ratio such that for every 1.0 ounces of silver, it holds 0.01 ounces of platinum and 0.008 ounces of palladium. The Sponsor believes that, for many investors, the Shares will represent a cost effective investment relative to traditional means of investing in Bullion.

The Trust issues and redeems Shares only with Authorized Participants in exchange for Bullion, only in aggregations of 50,000 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 "WITE."

**Valuation of Bullion 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 evaluates the Bullion held by the Trust and determines the NAV of the Trust.

At the Evaluation Time, the Trustee values the Trust's Bullion on the basis of that day's "London Fix" for such metal (the applicable fix for each metal of the price of an ounce of such metal and is performed in London, England by fixing members of the London Bullion Market Association ("LBMA") or London Platinum and Palladium ("LPPM"), as applicable), or if no London Fix is made for a metal on such day or has not been announced by the Evaluation Time, the next most recent London Fix for such metal 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 Fix or such other publicly available price as the Sponsor may deem fairly represents the commercial value of the Trust's Bullion is not an appropriate basis for evaluation of the Trust's Bullion, 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 Fix or such other publicly available price is not appropriate as a basis for evaluation of the Trust's Bullion or for any determination as to the alternative basis for such evaluation provided that such determination is made in good faith.

Silver held by the Trust will be valued on the basis of the price of an ounce of silver as set at approximately 12:00 noon London time and performed in London by three market making members of the LBMA. Platinum held by the Trust will be valued on the basis of the price of an ounce of platinum as set by the afternoon session of the twice daily fix of the price of an ounce of platinum which starts at 2:00 PM London, England time and is performed in London by the four fixing members of the LPPM. Palladium held by the Trust will be valued on the basis of the price of an ounce of palladium as set by the afternoon session of the twice daily fix of the price of an ounce of palladium which starts at 2:00 PM London, England time and is performed in London by the four fixing members of the LPPM.

Once the value of Bullion has been determined, the Trustee subtracts 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 Bullion 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 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 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.

**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 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 \$37,969,441 at December 31, 2010 to \$70,848,056 at March 31, 2011, a 86.59% increase for the quarter. The increase in the Trust's NAV resulted primarily from an increase in the price per ounce of silver, platinum and palladium (the "Proportionate Price") which rose 13.75% and an increase in outstanding Shares, which rose from 700,000 Shares at December 31, 2010 to 1,150,000 Shares at March 31, 2011, a result of 450,000 Shares (9 Baskets) being created and 0 Shares (0 Baskets) being redeemed during the quarter.

NAV per Share increased 13.59% from \$54.24 at December 31, 2010 to \$61.61 at March 31, 2011. Sponsor's Fees were \$81,262 for the period, or 0.60% of the Trust's assets on an annualized basis.

The NAV per share of \$61.61 at March 31, 2011 was the highest during the quarter, compared with a low of \$50.81 at January 25, 2011.

## ETFS WHITE METALS BASKET TRUST

Net loss from operations for the quarter ended March 31, 2011 was \$78,369, resulting from a net gain of \$2,893 on the transfer of Bullion to pay offset by Sponsor's Fees of \$81,262. 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 Trustee will, at the direction of the Sponsor or in its own discretion, sell the Trust's Bullion (only in the specified proportion of silver, platinum and palladium held by the Trust) as necessary to pay the Trust's expenses not otherwise assumed by the Sponsor. The Trustee will not sell Bullion to pay the Sponsor's Fee but will pay the Sponsor's Fee through in-kind transfers of Bullion 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 authorized officers of the Sponsor performing functions equivalent to those that a principal executive officer and principal financial officer of the Trust would perform if the Trust had any officers, and with the participation of the Trustee, have evaluated the effectiveness of the Trust's disclosure controls and procedures, and have concluded that the disclosure controls and procedures of the Trust have been effective as of the end of the period covered by this Form 10-Q.

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 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.

**ETFS WHITE METALS BASKET TRUST**

**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:

9 Baskets were created.

0 Baskets were redeemed.

<b>Period</b>	<b>Total Baskets Redeemed</b>	<b>Total Shares Redeemed</b>	<b>Average Ounces of Bullion Per Share</b>
January 2011	—	—	—
February 2011	—	—	—
March 2011	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>

**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 White Metals Basket Trust  
(Registrant)

Date: May 13, 2011

/s/ Graham Tuckwell

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

Date: May 13, 2011

/s/ Thomas Quigley

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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 Index**

- 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.
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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 White Metals Basket 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 13, 2011

/s/ Graham Tuckwell

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

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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 White Metals Basket 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 13, 2011

/s/ Thomas Quigley

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

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**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 White Metals Basket Trust (the "Company") on Form 10-Q for the period ended March 31, 2011 as filed with the Securities and Exchange Commission on May 13, 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 13, 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.

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**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 White Metals Basket Trust (the “Company”) on Form 10-Q for the period ended March 31, 2011 as filed with the Securities and Exchange Commission on May 13, 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 13, 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.

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