Silver - no longer outshined by gold, its more prominent precious metal peer - has come into its own as an investment, providing myriad reasons for financial advisors to add it to client portfolios. Here are four compelling reasons for you to consider an allocation to the “other shiny metal”:

Up, Up and Away
Silver has gained +28%4 in the first six months of 2016, following a five-year hibernation that ended in 20155. Some analysts put the gray metal at $20 an ounce by Q4 20166 and +$22 by Q1 20177. Even the “smart money” is paying attention to silver – hedge funds recently upped their silver bets for the fourth time in five weeks8. According to Bloomberg, money managers increased their net-long holdings in silver by 7 percent in the week ended May 10, alone.

The Shine of Solar
Silver is one of the key components in the production of solar panels, given that it’s the best metallic conductor of heat and electricity9. In 2015 alone, silver demand for solar applications rose 23%9. We believe that silver prices are likely to rise over the next five years, moving in lockstep with a growing demand for solar panels9.

The Fall and Rise
Demand for silver in 2015 set a new record, thanks to the jewelry, coin and bar, and photovoltaic sectors8. Supply to the market, however, fell, leading to the third successive annual silver market deficit10. It’s projected that silver mining output will fall 9.2% in 2016 from 2015 levels and fall 13% in 2017 from 2015 levels11. While deficits don’t necessarily influence near-term prices, years of annual deficits can put upward pressure on prices12.

Silver Everywhere
It’s hard to find a precious metal with as much versatility as silver. In the average American home, silver can be found in wall switches, bathroom plumbing, mirrors, computers, microwaves, polyester fabric and dishwashers. Beyond this, silver is set to play even greater roles in solar technology, auto manufacturing, smart watches, wearable medical sensors, chemicals, polyester, and nuclear energy13.
DISCLOSURE
The ETFS Silver Trust is not an investment company registered under the Investment Company Act of 1940 or a commodity pool for purposes of the Commodity Exchange Act. Shares of the ETFS Silver Trust are not subject to the same regulatory requirements as mutual funds. These investments are not suitable for all investors. Trusts focusing on a single commodity generally experience greater volatility.

Commodities and futures generally are volatile and are not suitable for all investors. Trusts focusing on a single commodity generally experience greater volatility. Shares in the Trusts are not FDIC insured and may lose value and have no bank guarantee. The value of the Shares relates directly to the value of the precious metal held by the Trusts and fluctuations in the price of platinum, palladium and silver could materially adversely affect an investment in the Shares. Several factors may affect the price of platinum, palladium or silver including:

(1) A change in economic conditions, such as a recession, can adversely affect the price of the precious metal held by the Trust. Some metals are 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; (2) Investors' expectations with respect to the rate of inflation; (3) Currency exchange rates; (4) Interest rates; (5) Investment and trading activities of hedge funds and commodity funds; and (6) Global or regional political, economic or financial events and situations. Should there be an increase in the level of hedge activity of the precious metal prices held by the Trust or producing companies, it could cause a decline in world precious metal prices, adversely affecting the price of the Shares.

Also, should the speculative community take a negative view towards the precious metal held by the Trust, it could cause a decline in prices, negatively impacting the price of the Shares. There is a risk that part or all of the Trust's physical precious metal could be lost, damaged or stolen. Failure by the Custodian or Sub-Custodian to exercise due care in the safekeeping of the precious metal held by the Trust could result in a loss to the Trust.

The Trust will not insure its precious metal and shareholders cannot be assured that the custodian will maintain adequate insurance or any insurance with respect to the precious metal held by the custodian on behalf of the Trust. Consequently, a loss may be suffered with respect to the Trust’s precious metal that is not covered by insurance. There is risk that part or all of the Trust’s precious metal could be lost, damaged or stolen. Failure by the Custodian or Sub-Custodian to exercise due care in the safekeeping of the precious metal held by the Trust could result in a loss to the Trust. The Trust will not insure its precious metal and shareholders cannot be assured that the Custodian will maintain adequate insurance or any insurance with respect to the precious metal held by the Custodian on behalf of the Trust. Consequently, a loss may be suffered with respect to the Trust’s precious metal that is not covered by insurance.

This material must be accompanied or preceded by the prospectus. Carefully consider the fund’s investment objectives, risk factors, and fees and expenses before investing. For further discussion of the risks associated with an investment in the fund, please read the prospectus at www.etfsecurities.com/etfsdocs/USProspectus.aspx. Or visit the ETF Securities website: www.etfsecurities.com.

ALPS Distributors, Inc. is the marketing agent for ETFS Silver Trust.
ETF000959 5/30/2017

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