



Information Circular 09-132

Date: August 4, 2009

Re: ETFS Silver Trust

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. ("BATS" or the "Exchange"), this Information Circular is being issued to advise you that the following security has been approved for trading on the Exchange as a UTP Derivative Security pursuant to Chapter XIV of the Exchange's Rules.

Securities (the "Fund")

Symbol

ETFS Silver Trust

SIVR

Commencement of Trading: August 5, 2009

Issuer/Trust: ETFS Silver Trust

Issuer Website: www.etfsecurities.com

Primary Listing Exchange: NYSE Arca

Primary Exchange Circular: RB-09-107 (July 24, 2009)

Registration Statement: No. 333-156307

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products pursuant to the Exchange's unlisted trading privileges, as well as to provide certain characteristics and features of the Shares. For a more complete description of the Issuer, the Shares and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website, examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange. The Issuer Website, the Prospectus, the Issuer Registration Statement and the Primary Exchange Circular are hereafter collectively referred to as the "Issuer Disclosure Materials."

Background Information on the Fund

As more fully explained in the Registration Statement for the Trust, ETFS Services LLC (the "Sponsor") is the sponsor of the Trust, Bank of New York Mellon is the trustee of the Trust ("Trustee"), and HSBC Bank U.S.A., N.A. is the custodian of the Trust ("Custodian"). The Trust is not an investment company registered under the Investment Company Act of 1940. The Trust will not hold or trade in commodity futures contracts regulated by the Commodity Exchange Act ("CEA"), as administered by the Commodity Futures Trading Commission. According to the Registration Statement, the Trust is not a commodity pool for the purposes of the CEA, and the Sponsor and Trustee are not subject to regulation as a commodity pool operator or a commodity trading adviser in connection with ETF Silver Shares ("Shares").

The Trust will issue Shares, which represent units of fractional 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 bullion, less the Trust's expenses.

As described more fully in the prospectus and the Registration Statement for the Trust, issuances of Shares will be made only in baskets of 100,000 shares or multiples thereof ("Baskets"). The Trust will issue and redeem Baskets daily, by or through registered broker-dealers that have entered into

participant agreements (each an “Authorized Participant”) with the Trustee. The creation and redemption of Baskets will only be made in exchange for the delivery to the Trust or the distribution by the Trust of the amount of silver and any cash represented by the Baskets being created or redeemed, the amount of which will be based on the combined net asset value (“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.

The total deposit required to create each Basket (the “Creation Basket Deposit”) will be an amount of silver and cash, if any, that is in the same proportion to the total assets of the Trust (net of estimated accrued but unpaid fees, expenses and other liabilities) on the date the order to purchase is properly received as the number of Shares to be created under the purchase order is in proportion to the total number of Shares outstanding on the date the order is received. The Sponsor anticipates that in the ordinary course of the Trust’s operations a cash deposit will not be required for the creation of Baskets.

The amount of the required silver deposit is determined by dividing the number of ounces of silver held by the Trust by the number of Baskets outstanding, as adjusted for estimated accrued but unpaid fees and expenses, as described in the Registration Statement.

The Shares will not be individually redeemable but will only be redeemable in Basket size. To redeem, an Authorized Participant will be required to accumulate enough Shares to constitute a Basket (i.e. 100,000 Shares). Redeeming Authorized Participants will receive an allocation of silver to their accounts, in accordance with procedures set forth in the Registration Statement. Shares will be registered in book-entry form through DTC.

The Creation Basket Deposit necessary for the creation of a Basket will slightly diminish each day depending on the Trust’s daily expense accrual and the market price of silver. The initial Creation Basket Deposit will be a specified number of ounces of silver (with each Share initially representing one ounce of silver). On each day that the Exchange is open for regular trading, The Bank of New York Mellon will adjust the quantity of silver constituting the Creation Basket Deposit as appropriate to reflect sales of silver needed for payment of the Sponsor’s fee (which is similar to an expense ratio) and any extraordinary expenses or liabilities not assumed by the Sponsor. The Bank of New York Mellon will determine the Creation Basket Deposit for a given business day by subtracting the daily expense accrual from the previous day’s total ounces of silver in the Trust and then dividing the number of Baskets outstanding.

The creation/redemption process in connection with the Shares is an in-kind exchange of silver for Shares, rather than an exchange of silver for cash. Except for the accrual of the Sponsor’s fee or extraordinary expenses or liabilities, the process is based entirely on the delivery of silver in exchange for Shares. The Trust’s prospectus and Registration Statement describe additional procedures and requirements that apply to creation and redemptions of Shares.

According to the Registration Statement, as of the London Fix on each day that NYSE Arca is open for regular trading, or, if the London Fix has not been announced by 12:00 noon New York time on such day, as of 12:00 noon New York time on such day (the “Evaluation Time”), the Trustee will evaluate the silver held by the Trust and determine both the ANAV and the NAV of the Trust.

At the Evaluation Time, the Trustee will value 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 will be used, unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate as a basis for evaluation. In the event the Trustee and the Sponsor determine that the London Fix or last prior London Fix is not an appropriate basis for evaluation of the Trust’s silver, they shall identify an alternative basis for such evaluation to be employed by the Trustee.

Once the value of the silver has been determined, the Trustee will subtract all estimated accrued but unpaid fees, expenses and other liabilities of the Trust from the total value of the silver and all other

assets of the Trust (other than any amounts credited to the Trust's reserve account, if established). The resulting figure is the ANAV of the Trust. The ANAV of the Trust is used to compute the Sponsor's Fee.

To determine the Trust's NAV, the Trustee will subtract the amount of estimated accrued but unpaid fees computed by reference to the ANAV of the Trust and to the value of the silver held by the Trust from the ANAV of the Trust. The resulting figure is the NAV of the Trust. The Trustee will also determine 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 Exchange (which includes the net number of any Shares created or redeemed on such evaluation day).

Shortly after 4:00 p.m. E.T. each business day, the Trust will disseminate the NAV for the Shares and the Creation Basket Deposit. The Creation Basket Deposit and NAV will be publicly available simultaneously to all market participants and will be communicated to all Authorized Participants via facsimile or electronic mail message and on the Trust's Web site.

The Trustee will calculate the NAV of the Trust once each trading day. In addition, the Trust will cause to be made available on a daily basis the required amount of silver to be deposited in connection with the issuance of Shares in Basket size.

The DTC serves as securities depository for the Shares, which may be held only in book-entry form. Stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding shares of the Trust.

The registration statement for the Fund describes the various fees and expenses for the Fund's Shares. For a more complete description of the Fund and the underlying index, visit the Issuer Website.

Principal Risks

Interested persons are referred to the prospectus for a description of risks associated with an investment in the Shares. These risks include the risk that a Fund's return may not match the return of its index for a number of reasons including the incursion by a Fund of operating expenses and costs not applicable to its index. In addition, as noted in the prospectus, the Shares may trade at market prices that differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares on the Exchange.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission (the "SEC") has issued letters granting exemptive, interpretive and no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 for exchange-traded securities listed and traded on a registered national securities exchange that meet certain criteria.

AS WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTERS REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.

Regulation M Exemptions

Generally, the Fund is exempted from Rule 101 pursuant to paragraph (c)(4) of Rule 101, permitting persons who may be deemed to be participating in a distribution of the Shares to bid for or purchase Shares during their participation in such distribution. The Fund is exempted under Rule 102(d)(4), permitting a Fund to redeem Shares during the continuous offering of Shares.

Rule 10b-17 (Untimely Announcement of Record Dates)

The SEC has granted an exemption from the requirements of Rule 10b-17 that will cover transactions in the Shares.

Section 11(d)(1); Rule 11d1-2 (Customer Margin)

The SEC has taken a no-action position under Section 11(d)(1) that will permit broker-dealers that do not create Shares but engage in both proprietary and customer transactions in such Shares exclusively in the secondary market to extend or maintain or arrange for the extension or maintenance of credit on the Shares, in connection with such secondary market transactions. For broker-dealers that engage in the creation of Shares, the SEC has also taken a no-action position under Rule 11d1-2 that will cover the extension or maintenance or the arrangement for the extension or maintenance of credit on the Shares that have been owned by the persons to whom credit is provided for more than 30 days.

SEC Rule 15c1-5 and 15c1-6 (Disclosure of Control and interest in Distributions)

The SEC has taken a no-action position under Rule 15c1-5 that will permit a broker-dealer to execute transactions in Shares without disclosing any control relationship with an issuer of a component security. In addition, the SEC has taken a no-action position under Rule 15c1-6 that will permit a broker dealer to execute transactions in the Shares without disclosing its participation or interest in a primary or secondary distribution of a component security.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on BATS is subject to BATS equity trading rules.

Trading Hours

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during Regular Trading Hours.

The Shares will trade on BATS between 8:00 a.m. and 5:00 p.m. ET. Please note that trading in the Shares during the Exchange's Pre-Opening Session or After Hours Trading Session may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Session; (2) the indicative value may not be updated; (3) lower liquidity may impact pricing; (4) higher volatility may impact pricing; (5) wider spreads may occur; and (6) because the indicative value is not calculated or widely disseminated during the Sessions, an investor who is unable to calculate an implied value for the Shares may be at a disadvantage to market professionals.

Delivery of a Prospectus

BATS Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund. Prospectuses may be obtained through the Fund's website. The prospectus for a Fund does not contain all of the information set forth in the Fund's Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to its Registration Statement.

In the event that the Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and in the future make available a written product description, BATS Rule 14.1(c)(3) requires that BATS Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Issuer of the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, BATS Members shall include such a written

description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a BATS member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: “A circular describing the terms and characteristics of [*the UTP Derivative Securities*] has been prepared by the [*open-ended management investment company name*] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [*the UTP Derivative Securities*].”

A BATS member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to BATS member under this rule.

Upon request of a customer, BATS Members also shall provide a copy of the Prospectus.

Suitability

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Trading Halts

BATS will halt trading in the Shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the Shares of a security if the primary market de-lists the security.

This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security’s website for relevant information.

Please contact Eric Swanson, 212.378.8523, eswanson@batstrading.com, with any inquiries regarding this Information Circular.