

STOCK EXCHANGE			
Regulatory Information Circular			
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Subject: ETFS Silver Trust

Background Information on the Fund

As more fully explained in the Registration Statement (No. 333-156307) 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 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.

Creation and Redemption Process

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.

Valuation of Silver, Definition of Net Asset Value and Adjusted Net Asset Value ("ANAV")

According to the Registration Statement, as of the London Fix on each day that the Exchange is open for regular trading or, if there is no London Fix on such day or 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 (for orders properly placed by 4:00 during the day). 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 Depository Trust Company ("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.

Dissemination of Indicative Trust Value

In order to provide updated information relating to the Trust for use by investors, professionals, and Authorized Persons wishing to create or redeem Shares, the Exchange will disseminate through the facilities of CTA an updated Indicative Trust Value ("ITV"). The ITV will be disseminated on a per Share basis at least every 15 seconds during the Exchange's Core Trading Session (9:30 a.m. to 4:00 p.m. ET). The ITV will be calculated based on the amount of silver required for creations and redemptions and a price of silver derived from updated bids and offers indicative of the spot price of silver. The ITV on a per Share basis disseminated during the Exchange's Core Trading Session should not be viewed as a real time update of the NAV, which is calculated only once a day.

Continuous Offering

The Trust will issue Shares in Baskets to Authorized Participants in exchange for deposits of silver on a continuous basis. The Trust will not issue fractions of a Basket. Because new Shares can be created and issued on an ongoing basis, at any point during the life of the Trust, a “distribution,” as such term is used in the Securities Act, will be occurring. Broker-dealers and other persons are cautioned that some of their activities will result in their being deemed participants in a distribution in a manner which would render them statutory underwriters and subject them to the prospectus-delivery and liability provisions of the Securities Act. For example, a broker-dealer firm or its client will be deemed a statutory underwriter if it purchases a Basket from the Trust, breaks the Basket down into the constituent Shares and sells the Shares directly to its customers; or if it chooses to couple the creation of a supply of new Shares with an active selling effort involving solicitation of secondary market demand for the Shares. A determination of whether a particular market participant is an underwriter must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to designation as an underwriter.

Dealers that are not “underwriters” but are participating in a distribution (as contrasted to ordinary secondary trading transactions), and thus dealing with Shares that are part of an “unsold allotment” within the meaning of Section 4(3)(C) of the Securities Act, would be unable to take advantage of the prospectus-delivery exemption provided by Section 4(3) of the Securities Act.

Availability of Information Regarding the Underlying Silver

Investors may obtain on a 24-hour basis silver pricing information based on the spot price of an ounce of silver from various financial information service providers, such as Reuters and Bloomberg. In addition, the daily London silver fix is also disseminated by various market data vendors and is available from the LBMA’s Web site. Reuters and Bloomberg provide at no charge on their Web sites delayed information regarding the spot price of silver and last sale prices of silver futures contracts and related options, as well as information about news and developments in the silver market. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on silver prices directly from market participants. Complete real-time data for silver futures contracts and options prices traded on the COMEX is available by subscription from Reuters and Bloomberg and also on a delayed basis free of charge on the NYMEX Web site at <http://www.nymex.com>. There are a variety of other public Web sites providing information on silver, ranging from those specializing in precious metals to sites maintained by major newspapers. Current silver spot prices are also generally available with bid/ask spreads from silver bullion dealers.

There is no regulated source of last sale information regarding physical silver.

The SEC has no jurisdiction over the trading of silver as a physical commodity. The CFTC has regulatory jurisdiction over the trading of silver futures contracts and options on silver futures contracts.

Sponsor Fees

Fees are paid to the Sponsor as compensation for services performed under the Trust Agreement and for services performed in connection with maintaining the Trust's administrative and marketing expenses incurred by the Trust: the Trustee's fee and out-of-pocket expenses, the custodian's fee and reimbursement of the custodian expenses, NYSE Arca listing fees, SEC registration fees, printing and mailing costs, audit fees and expenses, and up to \$100,000 per annum in legal fees and expenses. The Sponsor's Fee will accrue daily at an annualized rate equal to 0.45% of the adjusted net asset value ("ANAV") of the Trust and will be payable monthly in silver, in arrears. The Sponsor, from time to time, may temporarily waive all or a portion of the Sponsor's Fee at its discretion for a stated period of time. Presently, the Sponsor intends to waive a portion of its fee and reduce the Sponsor's Fee to 0.30% for the first year of the Trust's operations beginning on the Trust's inception date and ending on July 24, 2010. After July 24, 2010, the Sponsor may renew its fee waiver, waive a larger or smaller portion of its fee or not renew its fee waiver.

If the Sponsor does not continue its partial fee waiver after July 24, 2010, the full Sponsor's Fee will accrue and be paid to the Sponsor for subsequent periods. The Sponsor is under no obligation to continue to waive of all or part of the Sponsor's Fee after the fixed end date of its waiver.

The Trust is subject to various other fees and expenses described in the Registration Statement

Investment Risks

Equity Electronic Access Members ("Equity EAMs") are referred to the Trust's prospectus and Registration Statement for a description of risks associated with an investment in the Shares of the Trust. Among the risks described in the Registration Statement are the following:

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

The Shares may trade at a price which is at, above or below the NAV per Share and any discount or premium in the trading price relative to the NAV per Share may widen as a result of non-concurrent trading hours between the ISE and London and Commodity Exchange, Inc., a subsidiary of New York Mercantile Exchange, Inc. (COMEX).

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

Shareholders will not have the protections associated with ownership of shares in an investment company registered under the Investment Company Act of 1940 or the protections afforded by the Commodity Exchange Act of 1936.

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

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

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

See the Registration Statement for more detail regarding these risks factors and for additional risk factors.

Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

Trading Hours

Trading in the Shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The Shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Equity EAMs trading the Shares during the Extended Market Sessions are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

Trading Halts

ISE will halt trading in the Shares in accordance with ISE Rule 2101(a)(2)(iii). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, ISE will stop trading the Shares if the primary market de-lists the Shares.

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the 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 the Trust's registration statement.

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

The SEC's Division of Trading and Markets (formerly, Division of Market Regulation) (the "Division") issued a letter dated June 21, 2006 granting exemptive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934, regarding trading in certain exchange-traded derivatively-priced securities. The Trust relies on the relief, described below, granted in the June 21, 2006 letter.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a "distribution participant" and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The SEC has granted an exemption from paragraph (d) of Rule 101 under Regulation M to permit persons who may be deemed to be participating in a distribution of Shares to bid for or purchase Shares during their participation in such distribution. The SEC also has granted an exemption from Rule 101 to permit the Distributor to publish research during the applicable restricted period on the Trust's website.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines "distribution" to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods. The SEC has granted an exemption from paragraph (e) of Rule 102 to permit the Trust and affiliated purchasers to redeem Shares during the continuous offering of the Shares.

This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.

Appendix A
Exchange-Traded Fund Symbol CUSIP Number

Ticker	Fund Name	Cusip
SIVR	ETFS Silver Trust	26922X107