

ETFS PHYSICAL SILVER ETF

(STOCK CODE: 3117 HK)

INTERIM REPORT

**FOR THE PERIOD FROM 5 SEPTEMBER 2012
(DATE OF INCEPTION) TO**

28 JUNE 2013

(UNAUDITED)

ETFS Physical Silver ETF

Interim Report

**For the period from 5 September 2012 (date of inception) to 28 June 2013
(Unaudited)**

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ETFS Physical Silver ETF

Management and Professional Service Details

Manager

ETF Securities (HK) Limited
Room 1303
Silver Fortune Plaza
1 Wellington Street, Central
Hong Kong

Directors of the Manager

Chi Lok Cheung (appointed on 2 April 2013)
Fred Jheon (resigned on 2 April 2013)
Graham Tuckwell

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Custodian

HSBC Bank USA, N.A.
8 Canada Square
London, E14 5HQ
United Kingdom

Service Agent

HK Conversion Agency Services Limited
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199 Des Voeux Road, Central
Hong Kong

Listing Agent

Changjiang Corporate Finance (HK) Limited
Suite 1908
19th Floor, Cosco Tower
183 Queen's Road Central
Hong Kong

Legal Adviser to the Manager

Baker & McKenzie
23rd Floor, One Pacific Place
88 Queensway
Hong Kong

Auditors

Deloitte Touche Tohmatsu
35th Floor, One Pacific Place
88 Queensway
Hong Kong

ETFS Physical Silver ETF

Investment Report

For the period from 5 September 2012 (date of inception) to 28 June 2013

Manager's report

The ETFS Physical Silver ETF (the "Fund") is an exchange traded fund listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). The Fund's investment objective is to provide investment results, before fees and expenses, that closely correspond to the performance of the London Fix for silver.

We are pleased to present the first interim report of the Fund for the period from 5 September 2012 (date of inception) to 28 June 2013.

Fund Performance

As at 28 June 2013, the Net Asset Value ("NAV") per unit of the Fund was USD 18.805074 and 300,000 units were outstanding. The total size of the Fund was approximately USD 5,641,522.

Market Commentary

The price of silver declined by 28% over the 12 month period ending June 2013 to the lowest level in nearly three years. Silver was the worst performing precious metal over the period, confirming its strong ties to gold. Against a backdrop of soft industrial demand, silver was not able to decouple from its strong link to gold. Silver continued to trade with significantly higher volatility to gold and correlations between the two metals reached decade highs. Consequently the silver price followed the gold price downward but with significantly greater magnitude.

Since the price plunge in April, there have been indications of stabilisation in industrial demand which has helped buoy the silver price. COMEX stockpiles have stopped rising and by July 2013 had begun to decline, suggesting that rising industrial demand is brightening the outlook for silver. Buttressing industrial demand has been physical demand for silver coins, which is running at a record pace, as evidenced by US Mint sales. The US Mint has sold 29mn ounces of silver coins in 2013 through July, just shy of total sales for 2012. US Mint silver coin sales are on pace in 2013 for 50mn ounces - the most recent record was 40mn ounces in 2011.

ETFS Physical Silver ETF**Investment Report****For the period from 5 September 2012 (date of inception) to 28 June 2013****(Unaudited)****Investment portfolio****As at 28 June 2013**

Commodity	Holdings Troy Ounces	Market value USD	% of net assets
Silver bullion	299,126	5,641,522	100.00
Total investment		5,641,522	100.00
Net assets value attributable to unitholders at 28 June 2013		5,641,522	100.00
Total investment, at cost		8,823,753	

Statement of movements in investment portfolio**For the period from 5 September 2012 (date of inception) to 28 June 2013**

Commodity	Holdings			28 June 2013 Troy Ounces
	5 September 2012 (date of inception) Troy Ounces	Additions Troy Ounces	Deductions Troy Ounces	
Silver bullion	-	299,778	652	299,126

Performance table**Net asset value**

	Total net asset value USD	Net asset value per unit USD
28 June 2013	5,641,522	18.805074

Performance record

	Highest issue price per unit USD	Lowest redemption price per unit USD
Period from 5 September 2012 (date of inception) to 28 June 2013	34.278595	18.556056

ETFS Physical Silver ETF
Statement of Financial Position
As at 28 June 2013
(Unaudited)

	28 June 2013 USD
Assets	
Current assets	
Silver bullion (at fair value)	5,641,522
Amounts receivable from brokers	2,433
	<hr/>
Total assets	5,643,955 <hr/> <hr/>
Liabilities	
Current liabilities	
Fees payable to investment manager	2,433
	<hr/>
Total liabilities	2,433 <hr/> <hr/>
Equity	
Units (at cost)	8,844,036
Unitholder's reserve	(3,202,514)
	<hr/>
Total equity	5,641,522 <hr/> <hr/>
Total liabilities and equity	5,643,955 <hr/> <hr/>
NAV per unit	18.805074 <hr/> <hr/>