

ETFS PHYSICAL SILVER ETF
(Stock code: 3117 HK)

Interim Report
For the six months ended 30 June 2014
(Unaudited)

ETFS Physical Silver ETF

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For the six months ended 30 June 2014 (Unaudited)

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ETFS Physical Silver ETF

Interim Report

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Management and Advisors

Manager

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

Directors of the Manager

Chi Lok Cheung
Graham Tuckwell

Trustee and Registrar

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Central
Hong Kong

Custodian

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London, E14 5HQ
United Kingdom

Service Agent

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Central
Hong Kong

Listing Agent

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Central
Hong Kong

Auditors

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

Legal Adviser to the Manager

Simmons & Simmons
13th Floor, One Pacific Place
88 Queensway
Hong Kong

ETFS Physical Silver ETF

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Investment Report

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 PM Fix for Silver.

We are pleased to present the second interim report of the Fund for the six months ended 30 June 2014.

Fund Performance

As at 30 June 2014, the net asset value ("NAV") per unit of the Fund was USD 20.704865 and 300,000 units were outstanding. The total net assets attributable to unitholders of the Fund was approximately USD 6,211,460.

Market Commentary

Like gold, silver staged a recovery in the first half of 2014 from the 2013 decline, gaining 7.0%. Often referred to as leveraged gold, silver underperformed the 9.3% increase in the gold price in the first half of 2014 as geopolitical events favoured gold and the market place remained a bit circumspect about increasing industrial demand for silver despite strong global PMI data. Silver benefitted, along with the other precious metals in the first half of 2014, from the sharp decline in global real yields and the aggressive new monetary easing measures implemented by the European Central Bank. Silver ended the first half of 2014 at US \$20.90/oz., and has remained within a fairly narrow range between US \$18.80/oz. and US \$22.00/oz. since November of 2013. Contrarily to gold ETP's, total silver ETP's continued to see inflows in the first half of 2014 increasing total known silver ETP holdings about 1% to 629 million ounces, which is only about 2.6% below the historic high.

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Investment Report (Continued)

Investment portfolio As at 30 June 2014

| Commodity | Holdings Troy Ounces/Units | Market value USD | % of net assets |
|---|----------------------------------|------------------------|--------------------|
| Silver bullion | 297,625 | 6,211,439 | 100.00 |
| Financial assets at FVTPL | | | |
| Precious metal ETF | | | |
| - ETFS Physical Silver Shares ETF | 1 | 21 | 0.00 |
| Total investments | | 6,211,460 | 100.00 |
| Net assets value attributable to unitholders at 30 June 2014 | | 6,211,460 | 100.00 |
| Total investments, at cost | | 8,779,497 | |

Statement of movements in portfolio holdings For the period from 1 January 2014 to 30 June 2014

| | Holdings | | | |
|--|---|-----------------------------------|------------------------------------|---|
| | 1 January 2014 Troy Ounces/Units | Additions Troy Ounces/Units | Deductions Troy Ounces/Units | 30 June 2014 Troy Ounces/Units |
| Commodity | | | | |
| Silver bullion | 298,364 | - | 739 | 297,625 |
| Financial assets at FVTPL | | | | |
| Precious metal ETF | | | | |
| - ETFS Physical Silver Shares Trust | 1 | - | - | 1 |

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Investment Report (Continued)

Performance table

| Net asset value | Total net asset value USD | Net asset value per Unit USD |
|--------------------------------------|------------------------------|------------------------------------|
| At the end of financial period dated | | |
| 30 June 2014 | 6,211,460 | 20.704865 |
| 31 December 2013 | 5,818,119 | 19.393731 |

Performance record

| | Highest issue price per unit USD | Lowest redemption price per unit USD |
|--|--|--|
| Financial period from 1 January 2014 to 30 June 2014 | 21.913318 | 18.618190 |
| Financial period from 5 September 2012 (Date of Establishment) to 31 December 2013 | 31.278595 | 18.556056 |

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Statement of Financial Position

| | 30 June 2014 | 31 December 2013 |
|--|---------------------|-------------------------|
| | USD | USD |
| Assets | | |
| Silver bullion (at fair value) | 6,211,439 | 5,818,100 |
| Precious metal ETFs (at fair value) | 21 | 19 |
| Receivable from a broker | 2,504 | 2,566 |
| | <hr/> | <hr/> |
| Total Assets | 6,213,964 | 5,820,685 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Liability | | |
| Provision for management fee | 2,504 | 2,566 |
| | <hr/> | <hr/> |
| Total Liability | 2,504 | 2,566 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Total Equity | 6,211,460 | 5,818,119 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Net asset value per Unit based on 300,000 Units outstanding | 20.704865 | 19.393731 |
| | <hr/> <hr/> | <hr/> <hr/> |