



## **ETFS PHYSICAL SILVER ETF**

(Stock code: 3117 HK)

Interim Report  
For the six months ended 30 June 2015  
(Unaudited)

## ETFS Physical Silver ETF

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For the six months ended 30 June 2015 (Unaudited)



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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**

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

#### **Custodian**

HSBC Bank PLC  
8 Canada Square  
London, E14 5HQ  
United Kingdom

#### **Service Agent**

HK Conversion Agency Services Limited  
2nd Floor, Infinitus Plaza  
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

#### **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



## **Manager's Report**

Silver has ridden on the coat tails of gold, but remained resilient; staying unchanged despite some volatile trading over the first six months of 2015. With only 25% of silver production coming from primary silver mines, and the remaining extracted as a by-product of gold, lead, zinc and copper, the market remains plagued by oversupply.

Against a backdrop of soft industrial demand, stockpiles remain elevated but appear to have peaked. COMEX silver stocks reached the highest level in 17 years in the first half of 2015, highlighting the weakness in the industrial sector. However, investment demand has begun to rebound with prices recently trading around 6-year lows. Silver ETPs received inflows US\$28mn globally over the first half of 2015. Silver continued to trade with significantly higher volatility to gold and correlations between the two metals remained elevated in the first half of 2015. The gold to silver ratio is currently trading at an elevated level, hitting the highest level in 6 years of 76 times in July 2015. As the global economic recovery begins to gather pace, we expect the current undervaluation of silver to fade, as industrial demand begins to dominate demand growth.

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Investment Report (Continued)

### Investment portfolio As at 30 June 2015

Commodity	Holdings Troy Ounces/Units	Market value USD	% of net assets
Silver bullion	641,640	10,073,742	100.00
<b>Financial assets at FVTPL</b>			
Precious metal ETF			
- ETFS Physical Silver Shares ETF	1	16	0.00
<b>Total investments</b>		10,073,758	100.00
<b>Net assets value attributable to unitholders at 30 June 2015</b>		10,073,758	100.00
<b>Total investments, at cost</b>		14,701,560	

### Statement of movements in portfolio holdings For the period from 1 January 2015 to 30 June 2015

	Holdings			
	1 January 2015 Troy Ounces/Units	Additions Troy Ounces/Units	Deductions Troy Ounces/Units	30 June 2015 Troy Ounces/Units
<b>Commodity</b>				
Silver bullion	494,794	148,114	(1,268)	641,640
<b>Financial assets at FVTPL</b>				
Precious metal ETF				
- ETFS Physical Silver Shares Trust	1	-	-	1

## ETFS Physical Silver ETF

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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 2015	10,073,758	15.498089
31 December 2014	7,901,876	15.803753
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 2015 to 30 June 2015	18.034544	15.292820
Financial year end 31 December 2014	21.913318	15.132334
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

	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>USD</b>	<b>USD</b>
<b>Assets</b>		
Silver bullion (at fair value)	10,073,742	7,901,861
Precious metal ETFs (at fair value)	16	15
Receivable from broker	4,166	3,626
	<hr/>	<hr/>
<b>Total Assets</b>	<b>10,077,924</b>	<b>7,905,502</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Liability</b>		
Provision for management fee	4,166	3,626
	<hr/>	<hr/>
<b>Total Liability</b>	<b>4,166</b>	<b>3,626</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total Equity</b>	<b>10,073,758</b>	<b>7,901,876</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Net asset value per Unit based on 650,000 Units outstanding</b>	<b>15.498089</b>	<b>15.803753</b>
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