iShares Silver Trust
Form 10-K
February 28, 2019

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________ to ________

Commission File Number: 001-32863

iShares® Silver Trust

(Exact name of registrant as specified in its charter)

New York	**13-7474456**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

c/o iShares Delaware Trust Sponsor LLC

400 Howard Street

San Francisco, California 94105

Attn: Product Management Team

iShares Product Research & Development

(Address of principal executive offices)

(415) 670-2000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Shares	**NYSE Arca, Inc.**
(Title of class)	**(Name of exchange on which registered)**

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2018, the aggregate market value of the shares held by non-affiliates was approximately $5,166,059,078. The calculation of the number of shares held by non-affiliates assumes that all shares held by funds or accounts for which BlackRock or its affiliates provides management or advisory services (whether discretionary or non-discretionary) are shares held by affiliates.

DOCUMENTS INCORPORATED BY REFERENCE:

None

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Cautionary Note Regarding Forward Looking Statements

This Annual Report on Form 10-K includes statements which relate to future events or future performance. In some cases, you can identify such forward looking statements by terminology such as “may,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or the negative of these terms or other comparable terminology. All statements (other than statements of historical fact) included in this report that address activities, events or developments that may occur in the future, including such matters as changes in commodity prices and market conditions (for silver and the shares), the operations of iShares Silver Trust (the “Trust”), the plans of iShares Delaware Trust Sponsor LLC (the “Sponsor”), the sponsor of the Trust, and references to the Trust’s future success and other similar matters are forward-looking statements. These statements are only predictions. Actual events or results may differ materially. These statements are based upon certain assumptions and analyses made by the Sponsor on the basis of its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. Whether or not actual results and developments will conform to the Sponsor’s expectations and predictions, however, is subject to a number of risks and uncertainties, including the special considerations referenced in this report, general economic, market and business conditions, changes in laws or regulations, including those concerning taxes, made by government authorities or regulatory bodies and other world economic and political developments. Consequently, all the forward-looking statements made in this report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments the Sponsor anticipates will be realized or, even if substantially realized, will result in the expected consequences to, or have the expected effects on, the Trust’s operations or the value of the shares issued by the Trust. Neither the Trust nor the Sponsor is under any duty to update any of the forward-looking statements to conform the statements to actual results or to a change in the expectations or predictions of these persons.

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PART I

Item 1. Business.

The purpose of the iShares Silver Trust (the “Trust”) is to own silver transferred to the Trust in exchange for shares issued by the Trust (“Shares”). Each Share represents a fractional undivided beneficial interest in the net assets of the Trust. The assets of the Trust consist primarily of silver held by the Trust’s custodian on behalf of the Trust. However, there may be situations where the Trust will unexpectedly hold cash. For example, a claim may arise against a third party, which is settled in cash. In situations where the Trust unexpectedly receives cash or other assets, no new Shares will be issued until after the record date for the distribution of such cash or other property has passed.

The Trust was formed on April 21, 2006 when an initial deposit of silver was made in exchange for the issuance of three Baskets (a “Basket” consists of 50,000 Shares). The Trust is a grantor trust formed under the laws of the State of New York.

The sponsor of the Trust is iShares Delaware Trust Sponsor LLC (the “Sponsor”), a Delaware limited liability company and an indirect subsidiary of BlackRock, Inc. (“BlackRock”). The trustee of the Trust is The Bank of New York Mellon (the “Trustee”) and the custodian of the Trust is JPMorgan Chase Bank N.A., London branch (the “Custodian”). The agreement between the Trust and the Custodian is governed by English law. The Trust does not have any officers, directors or employees.

The Trust’s net asset value fell from $5,405,193,851 at December 31, 2017 to $4,904,036,623 at December 31, 2018, the Trust’s fiscal year end. Outstanding Shares of the Trust fell from 339,750,000 Shares outstanding at December 31, 2017 to 337,850,000 Shares outstanding at December 31, 2018.

The activities of the Trust are limited to (1) issuing Baskets of Shares in exchange for the silver deposited with the Custodian as consideration, (2) selling silver as necessary to cover the Sponsor’s fee, Trust expenses not assumed by the Sponsor and other liabilities, and (3) delivering silver in exchange for Baskets surrendered for redemption. The Trust is not actively managed. It does not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the price of silver.

The Sponsor of the Trust maintains a website at www.ishares.com, through which the Trust’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), are made available free of charge after they have been filed or furnished to the Securities and Exchange Commission (the "SEC"). Additional information regarding the Trust may also be found on the SEC's EDGAR database at www.sec.gov.

Trust Objective

The Trust seeks to reflect generally the performance of the price of silver. The Trust seeks to reflect such performance before payment of the Trust's expenses and liabilities. The Shares are intended to constitute a simple and cost-effective means of making an investment similar to an investment in silver. An investment in physical silver requires expensive and sometimes complicated arrangements in connection with the assay, transportation, warehousing and insurance of the metal. Traditionally, such expense and complications have resulted in investments in physical silver being efficient only in amounts beyond the reach of many investors. The Shares have been designed to remove the obstacles represented by the expense and complications involved in an investment in physical silver, while at the same time having an intrinsic value that reflects, at any given time, the price of the silver owned by the Trust at such time, less the Trust's expenses and liabilities. Although the Shares are not the exact equivalent of an investment in silver, they provide investors with an alternative that allows a level of participation in the silver market through the securities market.

An investment in Shares is:

Backed by silver held by the Custodian on behalf of the Trust.

The Shares are backed by the assets of the Trust. The Trustee's arrangements with the Custodian contemplate that at the end of each business day there can be in the Trust account maintained by the Custodian no more than 1,100 ounces of silver in an unallocated form. The bulk of the Trust's silver holdings is represented by physical silver, identified on the Custodian's or, if applicable, sub-custodian's, books in allocated and unallocated accounts on behalf of the Trust and held by the Custodian in England, New York and other locations that may be authorized in the future.

As accessible and easy to handle as any other investment in shares.

Retail investors may purchase and sell Shares through traditional brokerage accounts. Because the intrinsic value of each Share is a function of the price of the silver held by the Trust, the cash outlay necessary for an investment in Shares should be less than the amount required for currently existing means of investing in physical silver. Shares are eligible for margin accounts.

Listed.

The Shares are listed and trade on NYSE Arca, Inc. ("NYSE Arca") under the symbol SLV.

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Relatively cost-efficient.

Because the expenses involved in an investment in physical silver are dispersed among all holders of Shares, an investment in Shares may represent a cost efficient alternative to investments in physical silver for investors not otherwise in a position to participate directly in the market for physical silver.

Secondary Market Trading

While the Trust seeks to reflect generally the performance of the price of silver less the Trust's expenses and liabilities, Shares may trade at, above or below their net asset value per Share (the "NAV"). The NAV of the Shares will fluctuate with changes in the market value of the Trust's assets. The trading prices of Shares will fluctuate in accordance with changes in their NAV, as well as market supply and demand. The amount of the discount or premium in the trading price relative to the NAV may be influenced by non-concurrent trading hours between the major silver markets and NYSE Arca. While the Shares trade on NYSE Arca until 4:00 p.m. (New York time), liquidity in the market for silver may be reduced after the close of the major world silver markets, including London, Zurich and the Commodity Exchange, Inc. ("COMEX") in Chicago. As a result, during this time, trading spreads, and the resulting premium or discount, on Shares may widen. However, given that Baskets of Shares can be created and redeemed in exchange for the underlying amount of silver, the Sponsor believes that the arbitrage opportunities may provide a mechanism to mitigate the effect of such premium or discount.

The Trust is not registered as an investment company for purposes of United States federal securities laws, and is not subject to regulation by the SEC as an investment company. Consequently, the owners of Shares do not have the regulatory protections provided to investors in registered investment companies. For example, the provisions of the Investment Company Act of 1940, as amended (the "Investment Company Act"), that limit transactions with affiliates, prohibit the suspension of redemptions (except under certain limited circumstances) or limit sales loads, among others, do not apply to the Trust.

The Trust does not hold or trade in commodity futures contracts or any other instruments regulated by the U.S. Commodity Exchange Act (the "CEA"), as administered by the U.S. Commodity Futures Trading Commission (the "CFTC"). Furthermore, the Trust is not a commodity pool for purposes of the CEA. Consequently, the Trustee and the Sponsor are not subject to registration as commodity pool operators with respect to the Trust. The owners of Shares do not receive the CEA disclosure document and certified annual report required to be delivered by the registered commodity pool operator with respect to a commodity pool, and the owners of Shares do not have the regulatory protections provided to investors in commodity pools operated by registered commodity pool operators.

Custody of the Trust's Silver

The Custodian is responsible for safekeeping the Trust's silver. The Custodian may keep the Trust's silver at its vault premises in England or New York, or at the vaults of any sub-custodian in England or New York, unless otherwise agreed between the Custodian and the Trustee (with the Sponsor's approval). The Custodian may use sub-custodians to discharge its obligations to the Trust. The Custodian is required to use reasonable care in the appointment of any sub custodian. Any sub custodian must be a member of the London Bullion Market Association ("LBMA"). The use of sub custodians does not affect the Custodian's liability to the Trustee under the custodian agreement between the Trustee and the Custodian (the "Custodian Agreement").

The Custodian has agreed to use reasonable care in the performance of its duties under the Custodian Agreement and will only be responsible for any loss or damage suffered by the Trust as a direct result of any negligence, fraud or willful default on the part of the Custodian. The Custodian's liability is limited to the market value of any silver lost and the amount of any balance held on unallocated basis at the time of the Custodian's negligence, fraud or willful default.

None of the Custodian, its directors, employees, agents or affiliates will incur any liability to the Trust if, by reason of any provision of any present or future law or regulation of the United Kingdom or any other country, or of any governmental or regulatory authority or stock exchange, or by reason of any act of God or war, terrorism or other circumstance beyond the Custodian's control, the Custodian is prevented or forbidden from, or would be subject to any civil or criminal penalty on account of, or is delayed in, performing its obligations to the Trust. The Custodian has agreed to indemnify the Trustee for any loss or liability directly resulting from a breach of the Custodian's representations and warranties in the Custodian Agreement, a failure of the Custodian to act or refrain from acting in accordance with the Trustee's instructions or any physical loss, destruction or damage to the silver held for the Trust's account, except for losses due to nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government or public authority, act of God or a similar cause that is beyond the control of the Custodian.

The Custodian has agreed to maintain insurance in support of its custodial obligations under the Custodian Agreement, including covering any loss of silver. The Custodian has the right to reduce, cancel or allow to expire without replacement such insurance coverage, provided that it gives prior written notice to the Trustee. In the case of a cancellation or expiration without replacement, the required notice must be at least 30 days prior to the last day of coverage. The Trustee has not received from the Custodian any notice of reduction, cancellation or expiration of its insurance coverage. The insurance is held for the benefit of the Custodian, not for the benefit of the Trust or the Trustee, and the Trustee may not submit a claim under the insurance maintained by the Custodian.

The Custodian has agreed to grant to the officers and properly designated representatives of the Trustee and to the independent public accountants for the Trust access to the Custodian's records for the purpose of confirming the content of those records. Upon at least ten days' prior notice, any such officer or properly designated representative, the independent public accountants for the Trust and any person designated by any regulatory authority having jurisdiction over the Trustee or the Trust is entitled to examine on the Custodian's premises the silver held by the Custodian and the records regarding the silver held for the account of the Custodian at a sub-custodian. The Custodian has agreed that it will only retain sub-custodians if they agree to grant to the Trustee and the independent registered public accounting firm of the Trust access to records and inspection rights similar to those set forth above. During the period covered by this report, Inspectorate International Ltd. and Inspectorate America Corporation, acting as authorized representatives of the Trustee pursuant to the foregoing provisions, inspected the premises where the Trust's silver is warehoused and on March 20, 2018 issued their report summarizing their findings. Such report was posted by the Sponsor on the Trust's website. During the period covered by this report, the Sponsor visited the premises where the Trust's silver is warehoused once (in the quarter ended March 31, 2018).

Valuation of Silver; Computation of Net Asset Value

On each business day, as soon as practicable after 4:00 p.m. (New York time), the Trustee evaluates the silver held by the Trust and determines the net asset value of the Trust and the NAV. For purposes of making these calculations, a business day means any day other than a day when NYSE Arca is closed for regular trading.

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The Trustee values the silver held by the Trust using that day's LBMA Silver Price. "LBMA Silver Price" is the price per ounce of silver, stated in U.S. dollars, determined by the ICE Benchmark Administration ("IBA") following an electronic auction consisting of one or more 30-second rounds starting at 12:00 p.m. (London time), on each day that the London silver market is open for business, and published shortly thereafter. If there is no LBMA Silver Price PM on any day, the Trustee is authorized to use the most recently announced LBMA Silver Price unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate as a basis for evaluation.

LBMA Silver Price is the price per ounce, in U.S. dollars, of unallocated silver delivered in London determined by IBA following an electronic auction consisting of one or more 30-second rounds starting at 12:00 p.m. (London time). At the start of each round of auction, IBA publishes a price for that round. Participants then have 30 seconds to enter, change or cancel their orders (i.e., how much silver they want to buy or sell at that price). At the end of each round, order entry is frozen, and the system checks to see if the imbalance (i.e., the difference between buying and selling) is within the threshold (normally 500,000 ounces for silver). If the imbalance is outside the threshold at the end of a round, then the auction is not balanced, the price is adjusted and a new round starts. If the imbalance is within the threshold then the auction is finished, and the price is set as the LBMA Silver Price for that day. Any imbalance is shared equally between all direct participants (even if they did not place orders or did not log in), and the net volume for each participant trades at the final price. The prices during the auction are determined by an algorithm that takes into account current market conditions and activity in the auction. Each auction is actively supervised by IBA staff. As of the date of this report, information publicly available on IBA's website indicates that the direct participants currently qualified to submit orders during the electronic auctions used for the daily determination of the LBMA Silver Price are Coins 'N Things Inc., Goldman Sachs International, HSBC Bank USA NA, INTL FCStone, Jane Street Global Trading LLC, JP Morgan Chase Bank N.A. London Branch, Koch Supply and Trading LP, Morgan Stanley, The Bank of Nova Scotia - ScotiaMocatta and The Toronto Dominion Bank.

Prior to October 2, 2017, the LBMA Silver Price was determined using an electronic auction administered by CME Group and published by Thomson Reuters. Effective as of October 2, 2017, IBA replaced CME Group and Thomson Reuters as the administrator for the LBMA Silver Price and began administering the electronic auction for the LBMA Silver Price.

Once the value of the Trust's silver has been determined, the Trustee subtracts all accrued fees, expenses and other liabilities of the Trust from the total value of the silver and all other assets of the Trust. The resulting figure is the net asset value of the Trust. The Trustee determines the NAV by dividing the net asset value of the Trust by the number of Shares outstanding on the day the computation is made.

Trust Expenses

The Trust's only ordinary recurring expense is expected to be the Sponsor's fee. In exchange for the Sponsor's fee, the Sponsor has agreed to assume the following administrative and marketing expenses incurred by the Trust: the Trustee's fee, the Custodian's fee, 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 is accrued daily at an annualized rate equal to 0.50% of the net asset value of the Trust and is payable monthly in arrears. The Trustee will, when directed by the Sponsor, and, in the absence of such direction, may, in its discretion, sell silver in such quantity and at such times as may be necessary to permit payment of the Sponsor's fee and of Trust expenses or liabilities not assumed by the Sponsor. The Trustee is authorized to sell silver at such times and in the smallest amounts required to permit such payments as they become due, it being the intention to avoid or minimize the Trust's holdings of assets other than silver. Accordingly, the amount of silver to be sold will vary from time to time depending on the level of the Trust's expenses and the market price of silver. The Custodian has agreed to purchase from the Trust, at the request of the Trustee, silver needed to cover Trust expenses at a price equal to the price used by the Trustee to determine the value of the silver held by the Trust on the date of the sale. Cash held by the Trustee pending payment of the Trust's expenses will not bear any interest.

The Sponsor earned $25,335,523 for the year ended December 31, 2018.

Deposit of Silver; Issuance of Baskets

The Trust creates and redeems Shares on a continuous basis, but only in Baskets of 50,000 Shares. Only registered broker-dealers who have entered into written agreements with the Sponsor and the Trustee, can deposit silver and receive Baskets of Shares in exchange (each, an "Authorized Participant"). Upon the deposit of the corresponding amount of silver with the Custodian and the payment of the Trustee's applicable fee and of any expenses, taxes or charges (such as stamp taxes or stock transfer taxes or fees), the Trustee will deliver the appropriate number of Baskets to the Depository Trust Company account of the depositing Authorized Participant. As of the date of this report, ABN AMRO Clearing Chicago LLC, Barclays Capital Inc., Citigroup Global Markets, Inc., Credit Suisse Securities (USA), LLC, Deutsche Bank Securities Inc., Goldman Sachs & Co., Goldman Sachs Execution & Clearing L.P., HSBC Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch Professional Clearing Corp., Morgan Stanley & Co. LLC, Scotia Capital (USA) Inc., UBS Securities LLC, Virtu Americas LLC, and Virtu Financial BD LLC are the only Authorized Participants. The Sponsor and the Trustee maintain a current list of Authorized Participants. Silver deposited with the Custodian must meet the specifications for weight, dimensions, fineness (or purity), identifying marks and appearance of silver bars as set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA.

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Before making a deposit, the Authorized Participant must deliver to the Trustee a written purchase order or submit a purchase order through the Trustee's electronic order entry system indicating the number of Baskets it intends to acquire and the location or locations where it expects to make the corresponding deposit of silver with the Custodian. The date the Trustee receives that order determines the amount of silver the Authorized Participant needs to deposit (such amount, the "Basket Silver Amount"). However, orders received by the Trustee after 3:59 p.m. (New York time) on a business day will not be accepted and should be resubmitted on the next following business day. The Trustee has entered into an agreement with the Custodian which contains arrangements so that silver can be delivered to the Custodian in England, New York or at other locations that may be authorized in the future.

If the Trustee accepts the purchase order, it transmits to the Authorized Participant, via facsimile or electronic mail message, no later than 5:00 p.m. (New York time) on the date such purchase order is received, or deemed received, a copy of the purchase order endorsed "Accepted" by the Trustee and indicating the Basket Silver Amount that the Authorized Participant must deliver to the Custodian in exchange for each Basket. In the case of purchase orders submitted via the Trustee's electronic order system, the Authorized Participant will receive an automated email indicating the acceptance of the purchase order and the purchase order will be marked "Accepted" in the Trustee's electronic order system. Prior to the Trustee's acceptance as specified above, a purchase order only represents the Authorized Participant's unilateral offer to deposit silver in exchange for Baskets of Shares and has no binding effect upon the Trust, the Trustee, the Custodian or any other party.

The Basket Silver Amount necessary for the creation of a Basket changes from day to day. At the time of creation of the Trust, the initial Basket Silver Amount was 500,000 ounces of silver. On each day that NYSE Arca is open for regular trading, the Trustee adjusts the quantity of silver constituting the Basket Silver Amount as appropriate to reflect sales of silver, any loss of silver that may occur, and accrued expenses. The computation is made by the Trustee as promptly as practicable after 4:00 p.m. (New York time). The Basket Silver Amount so determined is communicated via facsimile or electronic mail message to all Authorized Participants, and made available on the Sponsor's website for the Shares. NYSE Arca also publishes the Basket Silver Amount determined by the Trustee as indicated above.

Because the Sponsor has assumed what are expected to be most of the Trust's expenses and the Sponsor's fee accrues daily at the same rate, in the absence of any extraordinary expenses or liabilities, the amount of silver by which the Basket Silver Amount decreases each day is predictable. The Trustee intends to make available on each business day, through the same channels used to disseminate the actual Basket Silver Amount determined by the Trustee as indicated above, an indicative Basket Silver Amount for the next business day. Authorized Participants may use that indicative Basket Silver Amount as guidance regarding the amount of silver that they may expect to have to deposit with the Custodian in respect of purchase orders placed by them on such next business day and accepted by the Trustee. The agreement entered into with each Authorized Participant provides, however, that once a purchase order has been accepted by the Trustee, the Authorized Participant will be required to deposit with the Custodian the Basket Silver Amount determined by the Trustee on the effective date of the purchase order.

No Shares are issued unless and until the Custodian has informed the Trustee that it has allocated to the Trust's account (except that any amounts of less than 1,100 ounces may be held in the Trust account on an unallocated basis) the corresponding amount of silver. In accordance with the procedures that the Custodian has agreed to follow in connection with the creation of Shares, silver received by the Custodian no later than 11:30 a.m. (London time) is required to be allocated to the Trust's account no later than 9:00 a.m. (New York time) on the next day that the Custodian is open for business at the place of delivery. All taxes incurred in connection with the delivery of silver to the Custodian in exchange for Baskets of Shares (including any applicable value added tax) will be the sole responsibility of the Authorized Participant making such delivery.

Redemption of Baskets; Withdrawal of Silver

Authorized Participants, acting on authority of the registered holder of Shares, may surrender Baskets of Shares in exchange for the corresponding Basket Silver Amount announced by the Trustee. Upon the surrender of such Shares and the payment of the Trustee's applicable fee and of any expenses, taxes or charges (such as stamp taxes or stock transfer taxes or fees), the Trustee will deliver to the order of the redeeming Authorized Participant the amount of silver corresponding to the redeemed Baskets. Shares can only be surrendered for redemption in Baskets of 50,000 Shares each.

Before surrendering Baskets of Shares for redemption, an Authorized Participant must deliver to the Trustee a written request, or submit a redemption order through the Trustee's electronic order entry system, indicating the number of Baskets it intends to redeem and the location where it would like to take delivery of the silver represented by such Baskets. The date the Trustee receives that order determines the Basket Silver Amount to be received in exchange. However, orders received by the Trustee after 3:59 p.m. (New York time) on a business day will not be accepted and should be resubmitted on the next following business day.

The Custodian may make the silver available for collection at its office or at the office of a sub-custodian if the silver is being held by a sub-custodian. Silver is delivered at the locations designated by the Trustee, in consultation with the Custodian. All taxes incurred in connection with the delivery of silver to an Authorized Participant in exchange for Baskets of Shares (including any applicable value added tax) will be the sole responsibility of the Authorized Participant taking such delivery.

Unless otherwise agreed to by the Custodian, silver is delivered to the redeeming Authorized Participants in the form of physical bars only (except that any amount of less than 1,100 ounces may be transferred to an unallocated account of or as ordered by, the redeeming Authorized Participant).

Redemptions may be suspended only (1) during any period in which regular trading on NYSE Arca is suspended or restricted or the exchange is closed (other than scheduled holiday or weekend closings), or (2) during an emergency as a result of which delivery, disposal or evaluation of silver is not reasonably practicable.

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Fees and Expenses of the Trustee

Each deposit of silver for the creation of Baskets of Shares and each surrender of Baskets of Shares for the purpose of withdrawing Trust property (including if the trust agreement between the Trustee and the Sponsor (the "Trust Agreement") terminates) must be accompanied by a payment to the Trustee of a fee of $500 (or such other fee as the Trustee, with the prior written consent of the Sponsor, may from time to time announce).

The Trustee is entitled to reimburse itself from the assets of the Trust for all expenses and disbursements incurred by it for extraordinary services it may provide to the Trust or in connection with any discretionary action the Trustee may take to protect the Trust or the interests of the holders.

Trust Expenses and Silver Sales

In addition to the fee payable to the Sponsor, the following expenses are paid out of the assets of the Trust:

- any expenses or liabilities of the Trust that are not assumed by the Sponsor;
- any taxes and other governmental charges that may fall on the Trust or its property;
- expenses and costs of any action taken by the Trustee or the Sponsor to protect the Trust and the rights and interests of holders of Shares; and
- any indemnification of the Sponsor as described below.

The Trustee sells the Trust's silver from time to time as necessary to permit payment of the fees and expenses that the Trust is required to pay. See "Trust Expenses."

The Trustee is not responsible for any depreciation or loss incurred by reason of sales of silver made in compliance with the Trust Agreement.

Payment of Taxes

The Trustee may deduct the amount of any taxes owed from any distributions it makes. It may also sell Trust assets, by public or private sale, to pay any taxes owed. Registered holders of Shares will remain liable if the proceeds of the sale are not enough to pay the taxes.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion of the material United States federal income tax consequences that generally will apply to the purchase, ownership and disposition of Shares by a U.S. Shareholder (as defined below), and certain United States federal income consequences that may apply to an investment in Shares by a Non-U.S. Shareholder (as defined below), is based on the United States Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder and judicial and administrative interpretations of the Code, all as in effect on the date of this report and all of which are subject to change either prospectively or retroactively. The tax treatment of owners of beneficial interests in the Shares (“Shareholders”) may vary depending upon their own particular circumstances. Certain Shareholders (including banks, financial institutions, insurance companies, tax-exempt organizations, broker-dealers, traders, Shareholders that are partnerships for United States federal income tax purposes, persons holding Shares as a position in a “hedging,” “straddle,” “conversion,” or “constructive sale” transaction for United States federal income tax purposes, persons whose “functional currency” is not the U.S. dollar, or other investors with special circumstances) may be subject to special rules not discussed below. In addition, the following discussion applies only to investors who will hold Shares as “capital assets” within the meaning of Section 1221 of the Code. Moreover, the discussion below does not address the effect of any state, local or foreign tax law on an owner of Shares. Purchasers of Shares are urged to consult their own tax advisers with respect to all federal, state, local and foreign tax law considerations potentially applicable to their investment in Shares.

For purposes of this discussion, a “U.S. Shareholder” is a Shareholder that is:

an individual who is treated as a citizen or resident of the United States for United States federal income tax purposes;

a corporation (or entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate, the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or

a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or a trust that has made a valid election under applicable Treasury Regulations to be treated as a domestic trust.

A Shareholder that is not (1) a U.S. Shareholder as defined above or (2) a partnership for United States federal income tax purposes, is considered a “Non U.S. Shareholder” for purposes of this discussion.

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Taxation of the Trust

The Sponsor and the Trustee will treat the Trust as a grantor trust for United States federal income tax purposes. In the opinion of Clifford Chance US LLP, special United States federal income tax counsel to the Sponsor, the Trust will be classified as a grantor trust for United States federal income tax purposes. As a result, the Trust itself will not be subject to United States federal income tax. Instead, the Trust’s income and expenses will flow through to the Shareholders, and the Trustee will report the Trust’s income, gains, losses and deductions to the Internal Revenue Service (“IRS”) on that basis. The opinion of Clifford Chance US LLP represents only its best legal judgment and is not binding on the IRS or any court. Accordingly, there can be no assurance that the IRS will agree with the conclusions of counsel’s opinion and it is possible that the IRS or another tax authority could assert a position contrary to one or all of those conclusions and that a court could sustain that contrary position. Neither the Sponsor nor the Trustee will request a ruling from the IRS with respect to the classification of the Trust for United States federal income tax purposes. If the IRS were to assert successfully that the Trust is not classified as a grantor trust, the Trust would be classified as a partnership for United States federal income tax purposes, which may affect timing and other tax consequences to the Shareholders.

The following discussion assumes that the Trust will be classified as a grantor trust for United States federal income tax purposes.

Taxation of U.S. Shareholders

Shareholders will be treated, for United States federal income tax purposes, as if they directly owned a pro rata share of the underlying assets held in the Trust. Shareholders also will be treated as if they directly received their respective pro rata shares of the Trust’s income, if any, and as if they directly incurred their respective pro rata shares of the Trust’s expenses. In the case of a Shareholder that purchases Shares for cash, its initial tax basis in its pro rata share of the assets held in the Trust at the time it acquires its Shares will be equal to its cost of acquiring the Shares. In the case of a Shareholder that acquires its Shares as part of a creation of a Basket, the delivery of silver to the Trust in exchange for the underlying silver represented by the Shares will not be a taxable event to the Shareholder, and the Shareholder’s tax basis and holding period for the Shareholder’s pro rata share of the silver held in the Trust will be the same as its tax basis and holding period for the silver delivered in exchange therefor. For purposes of this discussion, and unless stated otherwise, it is assumed that all of a Shareholder’s Shares are acquired on the same date and at the same price per Share. Shareholders that hold multiple lots of Shares, or that are contemplating acquiring multiple lots of Shares, should consult their own tax advisers as to the determination of the tax basis and holding period for the underlying silver related to such Shares.

When the Trust sells silver, for example to pay expenses, a Shareholder will recognize gain or loss in an amount equal to the difference between (1) the Shareholder’s pro rata share of the amount realized by the Trust upon the sale and (2) the Shareholder’s tax basis for its pro rata share of the silver that was sold. A Shareholder’s tax basis for its share of any silver sold by the Trust generally will be determined by multiplying the Shareholder's total basis for its share of all of the silver held in the Trust immediately prior to the sale, by a fraction the numerator of which is the amount of silver sold, and the denominator of which is the total amount of the silver held in the Trust immediately prior to the sale. After any such sale, a Shareholder's tax basis for its pro rata share of the silver remaining in the Trust will be equal to its tax basis for its share of the total amount of the silver held in the Trust immediately prior to the sale, less the portion of such basis allocable to its share of the silver that was sold.

Upon a Shareholder's sale of some or all of its Shares, the Shareholder will be treated as having sold the portion of its pro rata share of the silver held in the Trust at the time of the sale that is attributable to the Shares sold. Accordingly, the Shareholder generally will recognize gain or loss on the sale in an amount equal to the difference between (1) the amount realized pursuant to the sale of the Shares and (2) the Shareholder's tax basis for the portion of its pro rata share of the silver held in the Trust at the time of sale that is attributable to the Shares sold, as determined in the manner described in the preceding paragraph.

A redemption of some or all of a Shareholder's Shares in exchange for the underlying silver represented by the Shares redeemed generally will not be a taxable event to the Shareholder. The Shareholder's tax basis for the silver received in the redemption generally will be the same as the Shareholder's tax basis for the portion of its pro rata share of the silver held in the Trust immediately prior to the redemption that is attributable to the Shares redeemed. The Shareholder's holding period with respect to the silver received should include the period during which the Shareholder held the Shares redeemed. A subsequent sale of the silver received by the Shareholder will be a taxable event.

After any sale or redemption of less than all of a Shareholder's Shares, the Shareholder's tax basis for its pro rata share of the silver held in the Trust immediately after such sale or redemption generally will be equal to its tax basis for its share of the total amount of the silver held in the Trust immediately prior to the sale or redemption, less the portion of such basis which is taken into account in determining the amount of gain or loss recognized by the Shareholder upon such sale or, in the case of a redemption, is treated as the basis of the silver received by the Shareholder in the redemption.

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Maximum 28% Long-Term Capital Gains Tax Rate for U.S. Shareholders Who Are Individuals

Under current law, gains recognized by individuals from the sale of collectibles, including silver, held for more than one year are taxed at a maximum rate of 28%, rather than the current maximum 20% rate applicable to most other long-term capital gains. For these purposes, gain recognized by an individual upon the sale of an interest in a trust that holds collectibles is treated as gain recognized on the sale of collectibles, to the extent that the gain is attributable to unrealized appreciation in value of the collectibles held by the Trust. Therefore, any gain recognized by an individual U.S. Shareholder attributable to a sale of Shares held for more than one year, or attributable to the Trust's sale of any silver which the Shareholder is treated (through its ownership of Shares) as having held for more than one year, generally will be taxed at a maximum rate of 28%. The tax rates for capital gains recognized upon the sale of assets held by an individual U.S. Shareholder for one year or less or by a taxpayer other than an individual United States taxpayer are generally the same as those at which ordinary income is taxed.

3.8% Tax on Net Investment Income

Certain U.S. Shareholders who are individuals are required to pay a 3.8% tax on the lesser of the excess of their modified adjusted gross income over a threshold amount ($250,000 for married persons filing jointly and $200,000 for single taxpayers) or their net investment income, which generally includes capital gains from the disposition of property. This tax is in addition to any capital gains taxes due on such investment income. A similar tax will apply to estates and trusts. U.S. Shareholders should consult their own tax advisers regarding the effect, if any, this law may have on their investment in the Shares.

Brokerage Fees and Trust Expenses

Any brokerage or other transaction fee incurred by a Shareholder in purchasing Shares will be treated as part of the Shareholder's tax basis in the underlying assets of the Trust. Similarly, any brokerage fee incurred by a Shareholder in selling Shares will reduce the amount realized by the Shareholder with respect to the sale.

Shareholders will be required to recognize the full amount of gain or loss upon a sale of silver by the Trust (as discussed above), even though some or all of the proceeds of such sale are used by the Trustee to pay Trust expenses. Shareholders may deduct their respective pro rata shares of each expense incurred by the Trust to the same extent as if they directly incurred the expense. Shareholders who are individuals, estates or trusts, or certain closely held corporations, however, may be subject to various limitations on their ability to use their allocable share of the Trust's deductions and losses. Prospective Shareholders should consult their own tax advisers regarding the United States federal income tax consequences of holding Shares in light of their particular circumstance.

Investment by U.S. Tax-Exempt Shareholders

Certain U.S. Shareholders ("U.S. Tax-Exempt Shareholders") are subject to United States federal income tax only on their unrelated business taxable income ("UBTI"). Unless they incur debt in order to purchase Shares, it is expected that U.S. Tax-Exempt Shareholders should not realize UBTI in respect of income or gains from the Shares. U.S. Tax-Exempt Shareholders should consult their own independent tax advisers regarding the United States federal income tax consequences of holding Shares in light of their particular circumstances.

Investment by Regulated Investment Companies

Mutual funds and other investment vehicles which are "regulated investment companies" within the meaning of Code Section 851 should consult with their tax advisers concerning (1) the likelihood that an investment in Shares, although they are a "security" within the meaning of the Investment Company Act, may be considered an investment in the underlying silver for purposes of Code Section 851(b) and (2) the extent to which an investment in Shares might nevertheless be consistent with preservation of their qualification under Code Section 851.

Investment by Certain Retirement Plans

Section 408(m) of the Code provides that the purchase of a "collectible" as an investment for an individual retirement account ("IRA"), or for a participant directed account maintained under any plan that is tax-qualified under Section 401(a) of the Code, is treated as a taxable distribution from the account to the owner of the IRA, or to the participant for whom the plan account is maintained, of an amount equal to the cost to the account of acquiring the collectible. The Trust has received a private letter ruling from the IRS which provides that the purchase of Shares by an IRA or a participant-directed account maintained under a plan that is tax-qualified under Section 401(a) of the Code, will not constitute the acquisition of a collectible or be treated as resulting in a taxable distribution to the IRA owner or plan participant under Code Section 408(m). However, in the event any redemption of Shares results in the distribution of silver bullion to an IRA or a participant-directed account maintained under a plan that is tax-qualified under Section 401(a) of the Code, such distribution would constitute the acquisition of a collectible to the extent provided under Section 408(m) of the Code. See "ERISA and Related Considerations."

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Taxation of Non-U.S. Shareholders

A Non-U.S. Shareholder generally will not be subject to United States federal income tax with respect to gain recognized upon the sale or other disposition of Shares, or upon the sale of silver by the Trust, unless (1) the Non-U.S. Shareholder is an individual and is present in the United States for 183 days or more during the taxable year of the sale or other disposition, and the gain is treated as being from United States sources or (2) the gain is effectively connected with the conduct by the Non-U.S. Shareholder of a trade or business in the United States and certain other conditions are met.

United States Information Reporting and Backup Withholding

The Trustee will file certain information returns with the IRS, and provide certain tax-related information to Shareholders, in connection with the Trust. Each Shareholder will be provided with information regarding its allocable portion of the Trust's annual income (if any) and expenses. A U.S. Shareholder may be subject to United States backup withholding tax in certain circumstances unless it provides its taxpayer identification number and complies with certain certification procedures. Non-U.S. Shareholders may have to comply with certification procedures to establish that they are not a United States person in order to avoid the information reporting and backup withholding tax requirements.

The amount of any backup withholding will be allowed as a credit against a Shareholder's United States federal income tax liability and may entitle such a Shareholder to a refund, provided that the required information is furnished to the IRS in a timely manner.

Taxation in Jurisdictions Other Than the United States

Prospective purchasers of Shares that are based in or acting out of a jurisdiction other than the United States are advised to consult their own tax advisers as to the tax consequences, under the laws of such jurisdiction (or any other jurisdiction other than the United States to which they are subject), of their purchase, holding, sale and redemption of or any other dealing in Shares and, in particular, as to whether any value added tax, other consumption tax or transfer tax is payable in relation to such purchase, holding, sale, redemption or other dealing.

ERISA AND RELATED CONSIDERATIONS

The Employee Retirement Income Security Act of 1974 (“ERISA”) and/or Section 4975 of the Code impose certain requirements on: (i) employee benefit plans and certain other plans and arrangements, including individual retirement accounts and annuities, Keogh plans and certain collective investment funds or insurance company general or separate accounts in which such plans or arrangements are invested, that are subject to Title I of ERISA and/or Section 4975 of the Code (collectively, “Plans”); and (ii) persons who are fiduciaries with respect to the investment of assets treated as “plan assets” within the meaning of U.S. Department of Labor (“DOL”) regulation 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the “Plan Assets Regulation”), of a Plan. Investments by Plans are subject to the fiduciary requirements and the applicability of prohibited transaction restrictions under ERISA and the Code.

“Governmental plans” within the meaning of Section 3(32) of ERISA, certain “church plans” within the meaning of Section 3(33) of ERISA and “non-U.S. plans” described in Section 4(b)(4) of ERISA, while not subject to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, may be subject to any federal, state, local, non-U.S. or other law or regulation that is substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans are advised to consult with their counsel prior to an investment in the Shares.

In contemplating an investment of a portion of Plan assets in the Shares, the Plan fiduciary responsible for making such investment should carefully consider, taking into account the facts and circumstances of the Plan, the “Risk Factors” discussed below and whether such investment is consistent with its fiduciary responsibilities. The Plan fiduciary should consider, among other issues, whether: (1) the fiduciary has the authority to make the investment under the appropriate governing plan instrument; (2) the investment would constitute a direct or indirect non-exempt prohibited transaction with a “party in interest” or a “disqualified person” within the meaning of ERISA and Section 4975 of the Code respectively; (3) the investment is in accordance with the Plan’s funding objectives; and (4) such investment is appropriate for the Plan under the general fiduciary standards of investment prudence and diversification, taking into account the overall investment policy of the Plan, the composition of the Plan’s investment portfolio and the Plan’s need for sufficient liquidity to pay benefits when due. When evaluating the prudence of an investment in the Shares, the Plan fiduciary should consider the DOL’s regulation on investment duties, which can be found at 29 C.F.R. § 2550.404a-1.

It is intended that: (a) none of the Sponsor, the Trustee, the Custodian or any of their respective affiliates (the “Transaction Parties”) has through this report and related materials provided any investment advice within the meaning of Section 3(21) of ERISA to the Plan in connection with the decision to purchase or acquire such Shares; and (b) the information provided in this report and related materials will not make a Transaction Party a fiduciary to the Plan.

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Item 1A. Risk Factors.

Actual or perceived disruptions in the processes used to determine the LBMA Silver Price, or lack of confidence in that benchmark, may adversely affect the return on your investment in the Shares (if any).

Because the objective of the Trust is to reflect the performance of the price of silver, any disruptions affecting the processes related to how the market determines the price of silver will have an effect on the value of the Shares.

The LBMA Silver Price is a silver price benchmark mechanism administered by IBA, an independent specialist benchmark administrator appointed by LBMA. Once daily during London business hours, IBA hosts an electronic auction consisting of one or more 30-second rounds.

Investors should keep in mind that electronic markets are not exempt from failures, as the experiences of the initial public offerings of Facebook and BATS Global Markets illustrate. In addition, electronic trading platforms may be subject to influence by high-frequency traders with results that are highly contested by the industry, regulators and market observers.

As of the date of this filing, the LBMA Silver Price has been subjected to the test of actual trading markets for over approximately four years. As with any innovation, it is possible that electronic failures or other unanticipated events may occur that could result in delays in the announcement of, or the inability of the system to produce, an LBMA Silver Price on any given day. Furthermore, if a perception were to develop that the LBMA Silver Price is vulnerable to manipulation attempts, or if the proceedings surrounding the determination and publication of the LBMA Silver Price were seen as unfair, biased or otherwise compromised by the markets, the behavior of investors and traders in silver may change, and those changes may have an effect on the price of silver (and, consequently, the value of the Shares). In any of these circumstances, the intervention of extraneous events disruptive of the normal interaction of supply and demand of silver at any given time, may result in distorted prices and losses on an investment in the Shares that, but for such extraneous events, might not have occurred.

Other effects of disruptions in the determination of the LBMA Silver Price on the operations of the Trust include the potential for an incorrect valuation of the Trust's silver, an inaccurate computation of the Sponsor's fee, and the sales of silver to cover Trust expenses at prices that do not accurately reflect the fundamentals of the silver market. Each of these events could have an adverse effect on the value of the Shares. The operation of the auction process which determines the LBMA Silver Price is also dependent on the continued operation of the LBMA and the IBA and their applicable systems.

As of the date of this filing, the Sponsor has no reason to believe that the LBMA Silver Price (used by the Trust since August 15, 2014 for the daily valuation of its silver and the determination of the Sponsor's fee and the price of silver sold to cover Trust expenses) will not fairly represent the price of the silver held by the Trust. Should this situation change, the Sponsor expects to use the powers granted by the Trust's governing documents to seek to replace the LBMA Silver Price with a more reliable indicator of the value of the Trust's silver. There is no assurance that such alternative value indicator will be identified, or that the process of changing from the LBMA Silver Price to a new benchmark price will not adversely affect the price of the Shares.

Because the Shares are created to reflect the price of the silver held by the Trust, the market price of the Shares will be as unpredictable as the price of silver has historically been. This creates the potential for losses, regardless of whether you hold Shares for a short-, mid- or long-term.

Shares are created to reflect, at any given time, the market price of silver owned by the Trust at that time less the Trust's expenses and liabilities. Because the value of Shares depends on the price of silver, it is subject to fluctuations similar to those affecting silver prices. The price of silver has fluctuated widely over the past several years. If silver markets continue to be characterized by the wide fluctuations that they have shown in the past several years, the price of the Shares will change widely and in an unpredictable manner. This exposes your investment in Shares to potential losses if you need to sell your Shares at a time when the price of silver is lower than it was when you made your investment in Shares. Even if you are able to hold Shares for the mid- or long-term, you may never realize a profit, because silver markets have historically experienced extended periods of flat or declining prices.

Following an investment in Shares, several factors may have the effect of causing a decline in the prices of silver and a corresponding decline in the price of Shares. Among them:

- a change in economic conditions, such as a recession, can adversely affect the price of silver. Silver is used in a wide range of industrial applications, and an economic downturn could have a negative impact on its demand and, consequently, its price and the price of the Shares.

- a significant increase in silver hedging activity by silver producers. Traditionally, silver producers have not hedged to the same extent that other producers of precious metals (gold, for example) have. Should there be an increase in the level of hedge activity of silver producing companies, it could cause a decline in world silver prices, adversely affecting the price of the Shares.

- a significant change in the attitude of speculators and investors towards silver. Should the speculative community take a negative view towards silver, a decline in world silver prices could occur, negatively impacting the price of the Shares.

- global silver supply and demand, which is influenced by such factors as silver's uses in jewelry, technology and industrial applications, purchases made by investors in the form of bars, coins and other silver products, forward selling by silver producers, purchases made by silver producers to unwind silver hedge positions, central bank purchases and sales, and production and cost levels in major silver-producing countries.

global or regional political, economic or financial events and situations, especially those unexpected in nature.

investors' expectations with respect to the rate of inflation.

interest rates.

Investment and trading activities of hedge funds and commodity funds.

other economic variables such as income growth, economic output, and monetary policies.

investor confidence.

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Conversely, several factors may trigger a temporary increase in the price of silver prior to your investment in the Shares. If that is the case, you will be buying Shares at prices affected by the temporarily high prices of silver, and you may incur losses when the causes for the temporary increase disappear.

Investors should be aware that while silver is used to preserve wealth by investors around the world, there is no assurance that silver will maintain its long-term value in terms of future purchasing power. In the event the price of silver declines, the Sponsor expects the value of an investment in the Shares to decline proportionately.

Furthermore, although silver has been used as a portfolio diversifier due to its historically low-to-negative correlation with stocks and bonds, diversification does not ensure against, nor can it prevent against, risk of loss.

The amount of silver represented by each Share will decrease over the life of the Trust due to the sales of silver necessary to pay the Sponsor's fee and other Trust expenses. Without increases in the price of silver sufficient to compensate for that decrease, the price of the Shares will also decline and you will lose money on your investment in Shares.

Although the Sponsor has agreed to assume all organizational and certain ordinary administrative and marketing expenses incurred by the Trust, not all Trust expenses have been assumed by the Sponsor. For example, any taxes and other governmental charges that may be imposed on the Trust's property will not be paid by the Sponsor. As part of its agreement to assume some of the Trust's ordinary administrative expenses, the Sponsor has agreed to pay legal fees and expenses of the Trust not in excess of $100,000 per annum. Any legal fees and expenses in excess of that amount will be the responsibility of the Trust.

Because the Trust does not have any income, it needs to sell silver to cover the Sponsor's fee and expenses not assumed by the Sponsor. The Trust may also be subject to other liabilities (for example, as a result of litigation) that have also not been assumed by the Sponsor. The only source of funds to cover those liabilities will be sales of silver held by the Trust. Even if there are no expenses other than those assumed by the Sponsor, and there are no other liabilities of the Trust, the Trustee will still need to sell silver to pay the Sponsor's fee. The result of these sales is a decrease in the amount of silver represented by each Share. New deposits of silver, received in exchange for new Shares issued by the Trust, do not reverse this trend.

A decrease in the amount of silver represented by each Share results in a decrease in its price even if the price of silver has not changed. To retain the Share's original price, the price of silver has to increase. Without that increase, the lesser amount of silver represented by the Share will have a correspondingly lower price. If these increases do not occur, or are not sufficient to counter the lesser amount of silver represented by each Share, you will sustain losses on your investment in Shares.

An increase in the Trust expenses not assumed by the Sponsor, or the existence of unexpected liabilities affecting the Trust, will force the Trustee to sell larger amounts of silver, and will result in a more rapid decrease of the amount of silver represented by each Share and a corresponding decrease in its value.

The Trust is a passive investment vehicle. This means that the value of your Shares may be adversely affected by Trust losses that, if the Trust had been actively managed, it might have been possible to avoid.

The Trustee does not actively manage the silver held by the Trust. This means that the Trustee does not sell silver at times when its price is high, or acquire silver at low prices in the expectation of future price increases. It also means that the Trustee does not make use of any of the hedging techniques available to professional silver investors to attempt to reduce the risks of losses resulting from price decreases. Any losses sustained by the Trust will adversely affect the value of your Shares.

The price received upon the sale of Shares may be less than the value of the silver represented by them.

The result obtained by subtracting the Trust’s expenses and liabilities on any day from the price of the silver owned by the Trust on that day is the net asset value of the Trust which, when divided by the number of Shares outstanding on that day, results in the NAV.

Shares may trade at, above or below their NAV. The NAV will fluctuate with changes in the market value of the Trust’s assets. The trading prices of Shares will fluctuate in accordance with changes in their NAVs as well as market supply and demand. The amount of the discount or premium in the trading price relative to the NAV may be influenced by non-concurrent trading hours between the major silver markets and NYSE Arca. While the Shares will trade on NYSE Arca until 4:00 p.m. (New York time), liquidity in the market for silver will be reduced after the close of the major world silver markets, including London, Zurich and the COMEX in Chicago. As a result, during this time, trading spreads, and the resulting premium or discount on Shares, may widen.

Future governmental decisions may have significant impact on the price of silver, which may result in a significant decrease or increase in the value of the net assets and the net asset value of the Trust.

Generally, silver prices reflect the supply and demand of available silver. Governmental decisions, such as the executive order issued by the President of the United States in 1934 requiring all persons in the United States to deliver silver to the Federal Reserve, have been viewed as having significant impact on the supply and demand of silver and the price of silver. Future governmental decisions may have an impact on the price of silver and may result in a significant decrease or increase in the value of the net assets and the net asset value of the Trust. Further regulations applicable to U.S. banks and non-U.S. bank entities operating in the United States with respect to their trading in physical commodities, such as precious metals, may further impact the price of silver in the United States.

The costs inherent in buying or selling the Shares may detract significantly from investment results.

Buying or selling the Shares on an exchange involves two types of costs that apply to all securities transactions effectuated on an exchange. When buying or selling Shares through a broker or other intermediary, you will likely incur a brokerage commission or other charges imposed by that broker or intermediary. In addition, you may incur the cost of the “spread,” that is, the difference between what investors or market makers are willing to pay for the Shares (the “bid” price) and the price at which they are willing to sell the Shares (the “ask” price). Because of the costs inherent in buying or selling the Shares, frequent trading may detract significantly from investment results and an investment in the Shares may not be advisable for investors who anticipate regularly making small investments.

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An investment in the Shares may be adversely affected by competition from other methods of investing in silver.

The Trust competes with other financial vehicles, including traditional debt and equity securities issued by companies in the silver industry and other securities backed by or linked to silver (including exchange-traded products), direct investments in silver and investment vehicles similar to the Trust. Market and financial conditions, and other conditions beyond the Sponsor's control, may make it more attractive to invest in other financial vehicles or to invest in silver directly, which could limit the market for the Shares and reduce the liquidity of the Shares.

The liquidation of the Trust may occur at a time when the disposition of the Trust's silver will result in losses to investors in Shares.

The Trust will have a limited duration. If certain events occur, at any time, the Trustee will have to terminate the Trust. Otherwise, the Trust will terminate automatically on April 21, 2046.

Upon termination of the Trust, the Trustee will sell silver in the amount necessary to cover all expenses of liquidation, and to pay any outstanding liabilities of the Trust. The remaining silver will be distributed among investors surrendering Shares. Any silver remaining in the possession of the Trustee after 90 days may be sold by the Trustee and the proceeds of the sale will be held by the Trustee until claimed by any remaining holders of Shares. Sales of silver in connection with the liquidation of the Trust at a time of low prices will likely result in losses, or adversely affect your gains, on your investment in Shares.

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

In the event that one or more Authorized Participants that have substantial interests in Shares withdraw from participation, the liquidity of the Shares will likely decrease, which could adversely affect the market price of the Shares and result in your incurring a loss on your investment.

There may be situations where an Authorized Participant is unable to redeem a Basket of Shares. To the extent the value of silver decreases, these delays may result in a decrease in the value of the silver the Authorized Participant will receive when the redemption occurs, as well as a reduction in liquidity for all Shareholders in the secondary market.

Although Shares surrendered by Authorized Participants in Basket-size aggregations are redeemable in exchange for the underlying amount of silver, redemptions may be suspended during any period while regular trading on NYSE Arca is suspended or restricted, or in which an emergency exists that makes it reasonably impracticable to deliver, dispose of, or evaluate silver. If any of these events occurs at a time when an Authorized Participant intends to redeem Shares, and the price of silver decreases before such Authorized Participant is able again to surrender for redemption Baskets of Shares, such Authorized Participant will sustain a loss with respect to the amount that it would have been able to obtain in exchange for the silver received from the Trust upon the redemption of its Shares, had the redemption taken place when such Authorized Participant originally intended it to occur. As a consequence, Authorized Participants may reduce their trading in Shares during periods of suspension, decreasing the number of potential buyers of Shares in the secondary market and, therefore, decreasing the price a Shareholder may receive upon sale.

Authorized Participants with large holdings may choose to terminate the Trust.

Holders of 75% of the Shares have the power to terminate the Trust. This power may be exercised by a relatively small number of holders. If it is so exercised, investors who wished to continue to invest in silver through the vehicle of the Trust will have to find another vehicle, and may not be able to find another vehicle that offers the same features as the Trust.

The lack of an active trading market for the Shares may result in losses on your investment at the time of disposition of your Shares.

Although Shares are listed for trading on NYSE Arca, you should not assume that an active trading market for the Shares will be maintained. If you need to sell your Shares at a time when no active market for them exists, such lack of an active market will most likely adversely affect the price you receive for your Shares (assuming you are able to sell them).

If the process of creation and redemption of Baskets encounters any unanticipated difficulties or is materially restricted due to any illiquidity in the market for physical silver, the possibility for arbitrage transactions by Authorized Participants, intended to keep the price of the Shares closely linked to the price of silver may not exist and, as a result, the price of the Shares may fall or otherwise diverge from NAV.

If the processes of creation and redemption of Shares (which depend on timely transfers of silver to and by the Custodian) encounter any unanticipated difficulties, potential market participants, such as the Authorized Participants and their customers, who would otherwise be willing to purchase or redeem Baskets to take advantage of any arbitrage opportunity arising from discrepancies between the price of the Shares and the price of the underlying silver may not take the risk that, as a result of those difficulties, they may not be able to realize the profit they expect. If this is the case, the liquidity of the Shares may decline and the price of the Shares may fluctuate independently of the price of silver and may fall or otherwise diverge from NAV. Furthermore, in the event that the London market for physical silver should become relatively illiquid and thereby materially restrict opportunities for arbitraging by delivering silver in return for Baskets, the price of Shares may diverge from the value of physical silver and may fall.

Because the Trust holds only silver, an investment in the Trust may be more volatile than an investment in a more broadly diversified portfolio.

The Trust holds only silver. As a result, the Trust's holdings are not diversified. Accordingly, the Trust's net asset value may be more volatile than another investment vehicle with a more broadly diversified portfolio and may fluctuate substantially over short or long periods of time. Fluctuations in the price of silver are expected to have a direct impact on the value of the Shares.

An investment in the Trust may be deemed speculative and is not intended as a complete investment program. An investment in Shares should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Trust. Investors should review closely the objective and strategy and redemption provisions of the Trust, as discussed herein, and familiarize themselves with the risks associated with an investment in the Trust.

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The Trust is exposed to various operational risks.

The Trust is exposed to various operational risks, including human error, information technology failures and failure to comply with formal procedures intended to mitigate these risks, and is particularly dependent on electronic means of communicating, record-keeping and otherwise conducting business. In addition, the Trust generally exculpates, and in some cases indemnifies, its service providers and agents with respect to losses arising from unforeseen circumstances and events, which may include the interruption, suspension or restriction of trading on or the closure of NYSE Arca, power or other mechanical or technological failures or interruptions, computer viruses, communications disruptions, work stoppages, natural disasters, fire, war, terrorism, riots, rebellions or other circumstances beyond the control of the Trust or its service providers and agents. Accordingly, the Trust generally bears the risk of loss with respect to these unforeseen circumstances and events to the extent relating to the Trust or the Shares, which may limit or prevent the Trust from generating returns corresponding to those of the Index or otherwise expose it to loss.

Although it is generally expected that the Trust’s direct service providers and agents will have disaster recovery or similar programs or safeguards in place to mitigate the effect of such unforeseen circumstances and events, there can be no assurance that these safeguards are in place for all parties whose activities may affect the performance of the Trust, or that these safeguards, even if implemented, will be successful in preventing losses associated with such unforeseen circumstances and events. Nor can there be any assurance that the systems and applications on which the Trust relies will continue to operate as intended. In addition to potentially causing performance failures at, or direct losses to, the Trust, any such unforeseen circumstances and events or operational failures may further distract the service providers, agents or personnel on which the Trust relies, reducing their ability to conduct the activities on which the Trust is dependent. These risks cannot be fully mitigated or prevented, and further efforts or expenditures to do so may not be cost-effective, whether due to reduced benefits from implementing additional or redundant safeguards or due to increases in associated maintenance requirements and other expenses that may make it more costly for the Trust to operate in more typical circumstances.

As an owner of Shares, you will not have the rights normally associated with ownership of other types of shares.

Shares are not entitled to the same rights as shares issued by a corporation. By acquiring Shares, you are not acquiring the right to elect directors, to receive dividends, to vote on certain matters regarding the issuer of your Shares or to take other actions normally associated with the ownership of shares.

The Trust relies on the information and technology systems of the Custodian, the Trustee and, to a lesser degree, the Sponsor, which could be adversely affected by information systems interruptions, cybersecurity attacks or other disruptions which could have a material adverse effect on our record keeping and operations.

The Custodian, the Trustee and, to a lesser degree, the Sponsor, depend upon information technology infrastructure, including network, hardware and software systems to conduct their business as it relates to the Trust. A cybersecurity incident, or a failure to protect their computer systems, networks and information against cybersecurity threats, could result in loss or unintended disclosure of information or loss or theft of the Trust assets, and could adversely impact the ability of the Trust's service providers to conduct their business, including their business on behalf of the Trust. Despite implementation of network and other cybersecurity measures, these security measures may not be adequate to protect against all cybersecurity threats.

As an owner of Shares, you will not have the protections normally associated with ownership of shares in an investment company registered under the Investment Company Act, or the protections afforded by the CEA.

The Trust is not registered as an investment company and is not required to be registered under the Investment Company Act. Consequently, the owners of Shares do not have the protections under the Investment Company Act provided to investors in registered investment companies. For example, the provisions of the Investment Company Act that limit transactions with affiliates, prohibit the suspension of redemptions (except under certain limited circumstances) or limit sales loads, among others, do not apply to the Trust.

The Trust does not hold or trade in commodity futures contracts or any other instruments regulated by the CEA, as administered by the CFTC. Furthermore, the Trust is not a commodity pool for purposes of the CEA. Consequently, the Trustee and the Sponsor are not subject to registration as commodity pool operators with respect to the Trust. The owners of Shares do not receive the CEA disclosure document and certified annual report required to be delivered by the registered commodity pool operator with respect to a commodity pool, and the owners of Shares do not have the regulatory protections provided to investors in commodity pools operated by registered commodity pool operators.

The silver bullion custody operations of the Custodian are not subject to specific governmental regulatory supervision.

The Custodian is responsible for the safekeeping of the Trust's silver bullion and also facilitates the transfer of silver bullion into and out of the Trust. Although the Custodian is a market maker, clearer and approved weigher under the rules of the LBMA (which sets out good practices for participants in the bullion market), the LBMA is not an official or governmental regulatory body. Furthermore, although the Custodian is generally regulated in the UK by the Prudential Regulatory Authority and the Financial Conduct Authority, such regulations do not directly cover the Custodian's silver bullion custody operations in the UK. Accordingly, the Trust is dependent on the Custodian to comply with the best practices of the LBMA and to implement satisfactory internal controls for its silver bullion custody operations in order to keep the Trust's silver bullion secure.

The value of the Shares will be adversely affected if silver owned by the Trust is lost or damaged in circumstances in which the Trust is not in a position to recover the corresponding loss.

The Custodian is responsible to the Trust for loss or damage to the Trust's silver only under limited circumstances. The Custodian Agreement contemplates that the Custodian will be responsible to the Trust only if it acts with negligence, fraud or in willful default of its obligations under the Custodian Agreement. In addition, the Custodian has agreed to indemnify the Trust for any loss or liability directly resulting from a breach of the Custodian's representations and warranties in the Custodian Agreement, a failure of the Custodian to act in accordance with the Trustee's instructions or any physical loss, destruction or damage to the silver held for the Trust's account, except for losses due to nuclear accidents, terrorism, riots, acts of God, insurrections, strikes and similar causes beyond the control of the Custodian for which the Custodian will not be responsible to the Trust.

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The Custodian has no obligation to replace any silver lost under circumstances for which the Custodian is liable to the Trust. The Custodian's liability to the Trust, if any, will be limited to the value of any silver lost, or the amount of any balance held on an unallocated basis, at the time of the Custodian's negligence, fraud, or willful default, or at the time of the act or omission giving rise to the claim for indemnification.

In addition, because the Custodian Agreement is governed by English law, any rights which the holders of the Shares may have against the Custodian will be different from, and may be more limited than, those that could have been available to them under the laws of a different jurisdiction. The choice of English law to govern the Custodian Agreement, however, is not expected to affect any rights that the holders of the Shares may have against the Trust or the Trustee.

Any loss of silver owned by the Trust will result in a corresponding loss in the NAV and it is reasonable to expect that such loss will also result in a decrease in the value at which the Shares are traded on NYSE Arca.

Although the relationship between the Custodian and the Trustee concerning the Trust's allocated silver is expressly governed by English law, a court hearing any legal dispute concerning that arrangement may disregard that choice of law and apply U.S. law, in which case the ability of the Trust to seek legal redress against the Custodian may be frustrated.

The obligations of the Custodian under the Custody Agreements are governed by English law. The Trust is a New York common law trust. Any U.S., New York or other court situated in the United States may have difficulty interpreting English law (which, insofar as it relates to custody arrangements, is largely derived from court rulings rather than statute), LBMA rules or the customs and practices in the London custody market. It may be difficult or impossible for the Trust to sue the Custodian in a U.S., New York or other court situated in the United States. In addition, it may be difficult, time consuming and/or expensive for the Trust to enforce in a foreign court a judgment rendered by a U.S., New York or other court situated in the United States.

Shareholders and Authorized Participants lack the right under the Custodian Agreement to assert claims directly against the Custodian, which significantly limits their options for recourse.

Neither the Shareholders nor any Authorized Participant will have a right under the Custodian Agreement to assert a claim of the Trustee against the Custodian. Claims under the Custodian Agreement may only be asserted by the Trustee on behalf of the Trust.

Silver transferred to the Trust in connection with the creation of Baskets may not be of the quality required under the Trust Agreement. The Trust will sustain a loss if the Trustee issues Shares in exchange for silver of inferior quality and that loss will adversely affect the value of all existing Shares.

The procedures agreed to with the Custodian contemplate that the Custodian must undertake certain tasks in connection with the inspection of silver delivered by Authorized Participants in exchange for Baskets. The Custodian's inspection includes review of the corresponding bar list to ensure that it accurately describes the weight, fineness, refiner marks and bar numbers appearing on the silver bars, but does not include any chemical or other tests designed to verify that the silver received does, in fact, meet the purity requirements referred to in the Trust Agreement. Accordingly, such inspection procedures may not prevent the deposit of silver that fails to meet these purity standards. Each Authorized Participant that deposits silver in the Trust is liable to the Trust if that silver does not meet the requirements of the Trust Agreement. The Custodian will not be responsible or liable to the Trust or to any investor in the event any silver otherwise properly inspected by it does not meet the purity requirements contained in the Trust Agreement. To the extent that Baskets are issued in exchange for silver of inferior quality and the Trust is not able to recover damages from the Authorized Participant that deposited that silver, the total value of the assets of the Trust will be adversely affected and, with it, the NAV. In these circumstances, it is reasonable to expect that the value at which the Shares trade on NYSE Arca will also be adversely affected.

The value of the Shares will be adversely affected if the Trust is required to indemnify the Sponsor or the Custodian as contemplated in the Trust Agreement and the Custodian Agreement.

Under the Trust Agreement, the Sponsor has a right to be indemnified from the Trust for any liability or expense it incurs without negligence, bad faith or willful misconduct on its part. Similarly, the Custodian Agreement provides for indemnification of the Custodian by the Trust under certain circumstances. This means that it may be necessary to sell assets of the Trust in order to cover losses or liability suffered by the Sponsor or the Custodian. Any sale of that kind would reduce the net asset value of the Trust and the value of the Shares.

The Trust's lack of insurance protection and the Shareholders' limited rights of legal recourse against the Trust, the Trustee, the Sponsor, the Custodian and any sub-custodian expose the Shareholders to the risk of loss of the Trust's silver for which no person is liable.

The Trust does not insure its silver. The Custodian maintains insurance on such terms and conditions as it considers appropriate in connection with its custodial obligations under the Custodian Agreement and is responsible for all costs, fees and expenses arising from the insurance policy or policies. The Trust is not a beneficiary of any such insurance and does not have the ability to dictate the existence, nature or amount of coverage. Therefore, Shareholders cannot be assured that the Custodian maintains adequate insurance or any insurance with respect to the silver held by the Custodian on behalf of the Trust. In addition, the Custodian Agreement does not require any direct or indirect sub-custodians to be insured or bonded with respect to their custodial activities or in respect of the silver held by them on behalf of the Trust. Further, Shareholders' legal recourse against the Trust, the Trustee, the Sponsor, the Custodian, and any sub-custodians is limited. Consequently, a loss may be suffered with respect to the Trust's silver which is not covered by insurance and for which no person is liable in damages.

The Sponsor and its affiliates manage other accounts, funds or trusts, including those that invest in physical silver bullion or other precious metals, and conflicts of interest may occur, which may reduce the value of the net assets of the Trust, the NAV and the trading price of the Shares.

The Sponsor or its affiliates and associates currently engage in, and may in the future engage, in the promotion, management or investment management of other accounts, funds or trusts that invest primarily in physical silver bullion or other precious metals. Although officers and professional staff of the Sponsor’s management intend to devote as much time to the Trust as is deemed appropriate to perform their duties, the Sponsor’s management may allocate their time and services among the Trust and the other accounts, funds or trusts. The Sponsor will provide any such services to the Trust on terms not less favorable to the Trust than would be available from a non-affiliated party.

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The Sponsor and the Trustee may agree to amend the Trust Agreement without the consent of the Shareholders.

The Sponsor and the Trustee may agree to amend the Trust Agreement, including to increase the Sponsor's Fee, without Shareholder consent. The Sponsor shall determine the contents and manner of delivery of any notice of any Trust Agreement amendment. If an amendment imposes new fees and charges or increases existing fees or charges, including the Sponsor's Fee (except for taxes and other governmental charges, registration fees or other such expenses), or prejudices a substantial right of Shareholders, it will become effective for outstanding Shares 30 days after notice of such amendment is given to registered owners. Shareholders that are not registered owners (which most shareholders will not be) may not receive specific notice of a fee increase other than through an amendment to the prospectus. Moreover, at the time an amendment becomes effective, by continuing to hold Shares, Shareholders are deemed to agree to the amendment and to be bound by the Trust Agreement as amended without specific agreement to such increase (other than through the "negative consent" procedure described above).

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Not applicable.

Item 3. Legal Proceedings.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

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PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

On December 4, 2008, the Shares commenced trading on NYSE Arca under the ticker symbol SLV. Prior to that, the Shares were traded on the American Stock Exchange, also under the ticker symbol SLV, since their initial public offering on April 21, 2006.

Holders

The number of Shareholders of record of the Trust as of December 31, 2018 was approximately 302,231.

Dividends

The Trust did not declare any cash distributions to Shareholders during the fiscal years ended December 31, 2018 and 2017. The Trust has no obligation to make periodic distributions to Shareholders.

Use of Proceeds from Registered Securities

Not applicable.

Purchases of Equity Securities by the Issuers and Affiliated Purchaser

21,800,000 Shares (436 Baskets) were redeemed during the fourth quarter of the year ended December 31, 2018.

Period	**Total Number of Shares Redeemed**	**Average Ounces of Silver Paid Per Share**
10/01/18 to 10/31/18	9,500,000	$0.9395
11/01/18 to 11/30/18	6,800,000	0.9391
12/01/18 to 12/31/18	5,500,000	0.9389
Total	21,800,000	$0.9392

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Item 6. Selected Financial Data.

The following table summarizes the relevant December 31, 2018, 2017, 2016, 2015 and 2014 financial data for the Trust and should be read in conjunction with the Trust's financial statements, schedules and notes related thereto which are included in this report. The Trust commenced operations on April 21, 2006.

	December 31, 2018	2017	2016	2015	2014
Net realized loss on silver bullion	$(135,779,475)	$(92,120,817)	$(111,239,707)	$(212,155,884)	$(78,450,102)
Net income (loss)	(472,326,421)	217,471,048	682,782,768	(699,232,160)	(1,233,639,459)
Net income (loss) per Share	(1.38)	0.62	1.91	(2.07)	(3.57)
Net cash flows	—	—	—	—	—
Total assets	4,906,017,787	5,407,419,250	5,543,495,441	4,393,860,514	5,263,139,743

The following table summarizes the relevant quarterly financial data for each of the four quarters of 2018 for the Trust and should be read in conjunction with the Trust's financial statements, schedules and notes related thereto which are included in this report.

	Three Months Ended (Unaudited)			
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Net realized loss on silver bullion	$(14,286,265)	$(28,206,317)	$(25,667,793)	$(67,619,100)
Net income (loss)	(189,426,559)	(78,756,193)	(570,271,220)	366,127,551
Net income (loss) per Share	(0.56)	(0.23)	(1.63)	1.06
Net cash flows	—	—	—	—
Total assets	5,193,516,929	5,169,125,403	4,764,234,916	4,906,017,787

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Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

This information should be read in conjunction with the financial statements and notes to financial statements included with this report. The discussion and analysis that follows may contain statements that relate to future events or future performance. In some cases, such forward-looking statements can be identified by terminology such as “may,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or the negative of these terms or other comparable terminology. Neither the Trust nor the Sponsor is under a duty to update any of the forward-looking statements to conform such statements to actual results or to a change in the Sponsor’s expectations or predictions.

Introduction

The Trust is a grantor trust formed under the laws of the State of New York. The Trust does not have any officers, directors, or employees, and is administered by the Trustee acting as trustee pursuant to the Trust Agreement. The Trust issues Shares representing fractional undivided beneficial interests in its net assets. The assets of the Trust consist primarily of silver bullion held by a custodian as an agent of the Trust responsible only to the Trustee.

The Trust is a passive investment vehicle and seeks to reflect generally the performance of the price of silver. The Trust seeks to reflect such performance before payment of the Trust’s expenses and liabilities. The Trust does not engage in any activities designed to obtain a profit from, or ameliorate losses caused by, changes in the price of silver.

The Trust issues and redeems Shares only in exchange for silver, only in Baskets of 50,000 Shares or integral multiples thereof, and only in transactions with registered broker-dealers that have previously entered into an agreement with Authorized Participants. A list of the current Authorized Participants is available from the Sponsor or the Trustee.

Shares of the Trust trade on NYSE Arca under the ticker symbol SLV.

Valuation of Silver; Computation of Net Asset Value

On each business day, as soon as practicable after 4:00 p.m. (New York time), the Trustee evaluates the silver held by the Trust and determines the net asset value of the Trust and the NAV. The Trustee values the silver held by the Trust using that day's LBMA Silver Price. If there is no announced LBMA Silver Price on any day, the Trustee is authorized to use the most recently announced LBMA Silver Price unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate as a basis for evaluation. Having valued the silver held by the Trust, the Trustee adds other assets of the Trust then subtracts all accrued fees, expenses and other liabilities of the Trust from the fair value of the silver and other assets held by the Trust. The result is the net asset value of the Trust. The Trustee computes NAV by dividing the net asset value of the Trust by the number of Shares outstanding on the date the computation is made. Prior to October 2, 2017, the LBMA Silver Price was determined using an electronic auction administered by CME Group and published by Thomson Reuters. Effective as of October 2, 2017, IBA replaced CME Group and Thomson Reuters as the administrator for the LBMA Silver Price and began administering the electronic auction for the LBMA Silver Price.

Liquidity

The Trust is not aware of any trends, demands, conditions or events that are reasonably likely to result in material changes to its liquidity needs. In exchange for a fee, the Sponsor has agreed to assume most of the expenses incurred by the Trust. As a result, the only ordinary expense of the Trust during the period covered by this report was the Sponsor's fee. The Trust's only source of liquidity is its sales of silver.

Critical Accounting Policies

The financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States of America. The preparation of these financial statements relies on estimates and assumptions that impact the Trust's financial position and results of operations. These estimates and assumptions affect the Trust's application of accounting policies. Below is a description of the valuation of silver bullion, a critical accounting policy that the Trust believes is important to understanding its results of operations and financial position. In addition, please refer to Note 2 to the financial statements included in this report for further discussion of the Trust's accounting policies.

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Valuation of Silver Bullion

Fair value of the silver bullion is based on the LBMA Silver Price.

There are other indicators of the value of silver bullion that are available that could be different than that chosen by the Trust. The LBMA Silver Price is used by the Trust because it is commonly used by the U.S. silver market as an indicator of the value of silver and is permitted to be used under the Trust Agreement. The use of an indicator of the value of silver bullion other than the LBMA Silver Price could result in materially different fair value pricing of the silver in the Trust, and as such, could result in different cost or market adjustments or in different redemption value adjustments of the outstanding redeemable capital Shares.

The following chart shows the daily London Fix(a) or LBMA Silver Price, as applicable, for the periods from December 2013 through December 2018:

(a) The London Fix was discontinued on August 15, 2014 and was subsequently replaced by the LBMA Silver Price from that date onward, as reflected in the chart.

Results of Operations

The Year Ended December 31, 2018

The Trust's net asset value fell from $5,405,193,851 at December 31, 2017 to $4,904,036,623 at December 31, 2018, a 9.27% decrease for the year. The decrease in the Trust's net asset value resulted primarily from a decrease in the price of silver, which fell 8.30% from $16.87 at December 31, 2017 to $15.47 (the LBMA Silver Price at December 31, 2018). The decrease in the Trust's net asset value was also affected by a decrease in the number of outstanding Shares, which fell from 339,750,000 Shares at December 31, 2017 to 337,850,000 Shares at December 31, 2018, a consequence of 64,000,000 Shares (1,280 Baskets) being created and 65,900,000 Shares (1,318 Baskets) being redeemed during the year.

The 8.74% decline in the Trust's NAV from $15.91 at December 31, 2017 to $14.52 at December 31, 2018 was directly related to the 8.30% decrease in the price of silver.

The Trust's NAV decreased slightly more than the price of silver on a percentage basis due to the Sponsor's fees, which were $25,335,523 for the year, or 0.50% of the Trust's average weighted assets of $5,065,663,223 during the year. The NAV of $16.52 on January 25, 2018 was the highest during the year, compared with a low during the year of $13.12 on November 14, 2018.

Net decrease in net assets resulting from operations for the year ended December 31, 2018 was $472,326,421, resulting from a net investment loss of $25,335,523, a net realized loss of $3,730,211 from investment in silver bullion sold to pay expenses, a net realized loss of $132,049,264 on silver bullion distributed for the redemption of Shares and an unrealized loss on investment in silver bullion of $311,211,423. Other than the Sponsor's fees of $25,335,523, the Trust had no expenses during the year ended December 31, 2018.

The Year Ended December 31, 2017

The Trust's net asset value fell from $5,541,130,643 at December 31, 2016 to $5,405,193,851 at December 31, 2017, a 2.45% decrease for the year. The decrease in the Trust's net asset value resulted primarily from a decrease in the number of outstanding Shares, which fell from 359,900,000 Shares at December 31, 2016 to 339,750,000 Shares at December 31, 2017, a consequence of 55,800,000 Shares (1,116 Baskets) being created and 75,950,000 Shares (1,519 Baskets) being redeemed during the year. The decrease in the Trust's net asset value was partially offset by an increase in the LBMA Silver Price, which rose 3.88% from $16.24 at December 31, 2016 to $16.87 at December 31, 2017.

The 3.31% increase in the Trust's NAV from $15.40 at December 31, 2016 to $15.91 at December 31, 2017 was directly related to the 3.88% increase in the price of silver.

The Trust's NAV increased slightly less than the price of silver on a percentage basis due to the Sponsor's fees, which were $28,299,587 for the year, or 0.50% of the Trust's average weighted assets of $5,659,498,323 during the year. The NAV of $17.57 on April 13, 2017 was the highest during the year, compared with a low during the year of $14.39 on July 10, 2017.

Net increase in net assets resulting from operations for the year ended December 31, 2017 was $217,471,048, resulting from an unrealized gain on investment in silver bullion of $337,891,452 and offset by a net investment loss of $28,299,587, a net realized loss of $2,210,911 on silver bullion sold to pay expenses and a net realized loss of $89,909,906 on silver bullion distributed for the redemption of Shares. Other than the Sponsor's fees of $28,299,587, the Trust had no expenses during the year ended December 31, 2017.

The Year Ended December 31, 2016

The Trust's net asset value grew from $4,391,943,604 at December 31, 2015 to $5,541,130,643 at December 31, 2016, a 26.17% increase for the year. The increase in the Trust's net asset value resulted primarily from increase in the price of silver, which rose 17.51% from $13.82 at December 31, 2015 to $16.24 (the LBMA Silver Price at December 31, 2016). The increase in the Trust's net asset value was also affected by an increase in the number of outstanding Shares, which rose from 333,550,000 Shares at December 31, 2015 to 359,900,000 Shares at December 31, 2016, a consequence of 102,750,000 Shares (2,055 Baskets) being created and 76,400,000 Shares (1,528 Baskets) being redeemed during the year.

The 16.93% increase in the Trust's NAV from $13.17 at December 31, 2015 to $15.40 at December 31, 2016 was directly related to the 17.51% increase in the price of silver.

The Trust's NAV increased slightly less than the price of silver on a percentage basis due to the Sponsor's fees, which were $29,148,568 for the year, or 0.50% of the Trust's average weighted assets of $5,832,956,742 during the year. The NAV of $19.68 on August 2, 2016 was the highest during the year, compared with a low during the year of $12.93 on January 28, 2016.

Net increase in net assets resulting from operations for the year ended December 31, 2016 was $682,782,768, resulting from an unrealized gain on investment in silver bullion of $823,171,043, partially offset by a net investment loss of $29,148,568, a net realized loss of $2,513,184 from investment in silver bullion sold to pay expenses and a net realized loss of $108,726,523 on silver bullion distributed for the redemption of Shares. Other than the Sponsor's fees of $29,148,568, the Trust had no expenses during the year ended December 31, 2016.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

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Item 8. Financial Statements and Supplementary Data.

The following tables show the Trust's quarterly financial information for 2018 and 2017.

	Three Months Ended (Unaudited)			
	March 31, 2018	**June 30, 2018**	**September 30, 2018**	**December 31, 2018**
Expenses				
Sponsor's fees	$6,543,868	$6,592,413	$6,235,371	$5,963,871
Total expenses	6,543,868	6,592,413	6,235,371	5,963,871
Net investment loss	(6,543,868)	(6,592,413)	(6,235,371)	(5,963,871)
Net Realized and Unrealized Gain (Loss)				
Net realized loss from:				
Silver bullion sold to pay expenses	(506,462)	(688,243)	(1,160,169)	(1,375,337)
Silver bullion distributed for the redemption of Shares	(13,779,803)	(27,518,074)	(24,507,624)	(66,243,763)
Net change in unrealized appreciation/depreciation on investment in silver bullion	(168,596,426)	(43,957,463)	(538,368,056)	439,710,522
Net realized and unrealized gain (loss)	(182,882,691)	(72,163,780)	(564,035,849)	372,091,422
Net increase (decrease) in net assets resulting from operations	$(189,426,559)	$(78,756,193)	$(570,271,220)	$366,127,551
Net increase (decrease) in net assets per Share	$(0.56)	$(0.23)	$(1.63)	$1.06

	Three Months Ended (Unaudited)			
	March 31, 2017	**June 30, 2017**	**September 30, 2017**	**December 31, 2017**
Expenses				
Sponsor's fees	$7,165,596	$7,228,475	$7,129,498	$6,776,018
Total expenses	7,165,596	7,228,475	7,129,498	6,776,018
Net investment loss	(7,165,596)	(7,228,475)	(7,129,498)	(6,776,018)
Net Realized and Unrealized Gain (Loss)				
Net realized loss from:				
Silver bullion sold to pay expenses	(510,077)	(431,111)	(596,586)	(673,137)
Silver bullion distributed for the redemption of Shares	(15,533,659)	(11,635,841)	(32,222,429)	(30,517,977)
Net change in unrealized appreciation/depreciation on investment in silver bullion	630,795,770	(510,278,966)	178,415,473	38,959,175
Net realized and unrealized gain (loss)	614,752,034	(522,345,918)	145,596,458	7,768,061
	$607,586,438	$(529,574,393)	$138,466,960	$992,043

Net increase (decrease) in net assets resulting from operations						
Net increase (decrease) in net assets per Share	$1.72	$(1.49	)	$0.39	$0.00	(a)

(a) Rounds to less than $0.01.

See Index to Financial Statements on page F-1 for a list of the financial statements being filed herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There have been no changes in accountants and no disagreements with accountants during the year ended December 31, 2018.

Item 9A. Controls and Procedures.

The duly authorized officers of the Sponsor performing functions equivalent to those a principal executive officer and principal financial officer of the Trust would perform if the Trust had any officers, and with the participation of the Trustee, have evaluated the effectiveness of the Trust's disclosure controls and procedures, and have concluded that the disclosure controls and procedures of the Trust were effective as of the end of the period covered by this report to provide reasonable assurance that information required to be disclosed in the reports that the Trust files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to the duly authorized officers of the Sponsor performing functions equivalent to those a principal executive officer and principal financial officer of the Trust would perform if the Trust had any officers, as appropriate to allow timely decisions regarding required disclosure.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures.

Management's Report on Internal Control over Financial Reporting

The Sponsor's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The Trust's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Trust's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that the Trust's receipts and expenditures are being made only in accordance with appropriate authorizations and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Trust's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The principal executive officer and principal financial officer of the Sponsor assessed the effectiveness of the Trust's internal control over financial reporting as of December 31, 2018. Their assessment included an evaluation of the design of the Trust's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. In making its assessment, the Sponsor's management has utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its report entitled *Internal Control – Integrated Framework (2013).* Based on their assessment and those criteria, the principal executive officer and principal financial officer of the Sponsor concluded that the Trust maintained effective internal control over financial reporting as of December 31, 2018.

The effectiveness of the Trust's internal control over financial reporting as of December 31, 2018 has been audited by PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited and reported on the financial statements included in this Form 10-K, as stated in their report which is included herein.

Changes in Internal Control over Financial Reporting

There were no changes in the Trust's internal control over financial reporting that occurred during the Trust's fourth fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The Trust does not have any directors, officers or employees. The following persons, in their respective capacities as directors or executive officers of the Sponsor, perform certain functions with respect to the Trust that, if the Trust had directors or executive officers, would typically be performed by them.

Paul Lohrey is the President and Chief Executive Officer of the Sponsor and Jack Gee is the Chief Financial Officer, of the Sponsor.

The Sponsor is managed by a Board of Directors composed of Philip Jensen, Peter Landini, Kimun Lee, Jack Gee and Paul Lohrey.

Paul Lohrey, CFA, 56, has served as President and Chief Executive Officer of the Sponsor since November 2015. Mr. Lohrey joined BlackRock, Inc., a global asset management firm, as a Managing Director performing supervisory and managerial functions in June 2010. Prior to joining BlackRock, Mr. Lohrey served as Chief Investment Officer, Europe, performing supervisory and managerial functions, for The Vanguard Group, an asset management firm, from October 2008 to May 2010. He also held various positions in equity and fixed income portfolio management while at Vanguard from August 1994. Mr. Lohrey earned a Bachelor of Arts in economics from Duke University in 1984 and an MBA in finance from the University of Chicago in 1986.

Jack Gee, 59, has served as Chief Financial Officer of the Sponsor since January 2010. Mr. Gee has served as Managing Director, performing supervisory and managerial functions, of BlackRock, Inc. Prior to joining BlackRock, Inc., Mr. Gee served as Chief Financial Officer of Parnassus Investments, an investment adviser registered with the SEC, from March 2004 to September 2004; Chief Financial Officer of Cazenave Partners, an investment adviser registered with the SEC, from October 2003 to March 2004; Controller of Paul Capital Partners, an investment firm focusing on the secondary private equity and healthcare markets, from October 2002 to October 2003; and Chief Financial Officer of Fremont Investment Advisors, Inc., an investment adviser formerly registered with the SEC, from October 1997 to September 2002. Mr. Gee earned a Bachelor of Science in accounting from the California State University in 1982.

Philip Jensen, 60, is Chairman of the Sponsor's audit committee. In June 2001, Mr. Jensen joined Paul Capital, an investment firm focusing on the secondary private equity and healthcare markets, for which he presently serves as

Partner and Chief Operating Officer. Mr. Jensen received his Bachelor of Science from San Francisco State University and is a certified public accountant (inactive).

Peter Landini, 67, is a member of the Sponsor's audit committee. In 2003, Mr. Landini joined RBP Investment Advisors, Inc., a financial planning consultancy firm, for which he presently serves as Partner and Wealth Manager. Mr. Landini received his Bachelor of Science in accounting from Santa Clara University and an MBA in finance from Golden Gate University. Mr. Landini is a certified financial planner and is a member of the Financial Planning Association.

Kimun Lee, 72, is a member of the Sponsor's audit committee. Mr. Lee is a California-registered investment adviser and has conducted his consulting business under the name Resources Consolidated since 1980. Since September 2010, Mr. Lee has served as a member of the board of directors of Firsthand Technology Value Fund, Inc., a mutual fund company. Since April 2013, Mr. Lee has served as a member of the board of directors of Firsthand Funds, a mutual fund company. Since April 2014, Mr. Lee has served as a member of the board of trustees of FundX Investment Trust, a mutual fund company. Until January 2005, Mr. Lee also served as a member of the board of directors of Fremont Mutual Funds, Inc., a mutual fund company. Mr. Lee received his Bachelor of Arts from the University of the Pacific and an MBA from University of Nevada, Reno. He also completed the executive education program on corporate governance at Stanford Graduate School of Business.

The Sponsor has a code of ethics (the "Code of Ethics") that applies to its executive officers, including its Chief Executive Officer, President, Chief Financial Officer and Treasurer, who perform certain functions with respect to the Trust that, if the Trust had executive officers would typically be performed by them. The Code of Ethics is available by writing the Sponsor at 400 Howard Street, San Francisco, CA 94105 or calling the Sponsor at (415) 670-2000. The Sponsor's Code of Ethics is intended to be a codification of the business and ethical principles that guide the Sponsor, and to deter wrongdoing, to promote (1) honest and ethical conduct (including the ethical handling of actual or apparent conflicts of interest), (2) full, fair, accurate, timely and understandable disclosure in public reports, documents and communications, (3) compliance with applicable laws and governmental rules and regulations, (4) the prompt internal reporting of violations of the Code of Ethics and (5) accountability for adherence to the Code of Ethics.

Item 11. Executive Compensation.

The Trust has no employees, officers or directors. The Trust is managed by the Sponsor and pays the Sponsor the Sponsor's fee. For the year ended December 31, 2018, the Trust has incurred Sponsor's fees of $25,335,523.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Securities Authorized for Issuance under Equity Compensation Plans

Not applicable.

Security Ownership of Certain Beneficial Owners and Management

Not applicable.

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Item 13. Certain Relationships and Related Transactions, and Director Independence.

See Item 11 above.

Item 14. Principal Accounting Fees and Services.

Audit and Non-Audit Fees

The table below summarizes the fees for services performed by PricewaterhouseCoopers LLP for the years ended December 31, 2018 and 2017.

	2018	**2017**
Audit fees	$61,800	$61,800
Audit-related fees(a)	250	250
Tax fees	—	—
All other fees	—	—
	$62,050	$62,050

(a) Amount represents fees billed for review of the regulatory filings.

Approval of Independent Registered Public Accounting Firm Services and Fees

The audit committee of the Board of Directors of the Sponsor approved, prior to the commencement of the engagement, the engagement of and compensation to be paid to PricewaterhouseCoopers LLP as auditors of the Trust.

None of the hours expended on PricewaterhouseCoopers LLP's engagement to audit the Trust's financial statements for the year ended December 31, 2018 were attributable to work performed by persons other than the principal accountant's full-time, permanent employees.

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PART IV

Item 15. Exhibits, Financial Statement Schedules.

Financial Statements

See Index to Financial Statements on Page F-1 for a list of the financial statements being filed as part of this report.

Financial Statement Schedules

Schedules have been omitted since they are either not required, not applicable, or the information has otherwise been included.

Exhibits

The following documents are filed herewith or incorporated herein and made a part of this Annual Report:

Exhibit No.	**Description**
4.1	Second Amended and Restated Depositary Trust Agreement is incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed by the Registrant on December 22, 2016
4.2	Standard Terms for Authorized Participant Agreements is incorporated by reference to Exhibit 4.2 of the Current Report on Form 8-K filed by the Registrant on December 22, 2016
10.1	First Amended and Restated Custodian Agreement between The Bank of New York Mellon and JPMorgan Chase Bank N.A., London branch is incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by the Registrant on December 22, 2016
10.2	Sub-license Agreement is incorporated by reference to Exhibit 10.2 of Registration Statement No. 333-156506 filed by the Registrant on December 30, 2008

23.1	Consent of PricewaterhouseCoopers LLP
31.1	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification by Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification by Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Item 16. Form 10-K Summary.

None.

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iShares Silver Trust

Financial Statements

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Report of Independent Registered Public Accounting Firm

To the Sponsor and Shareholders of iShares® Silver Trust

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of iShares® Silver Trust (the "Trust") as of December 31, 2018 and 2017, and the related statements of operations, changes in net assets, and cash flows for each of the three years in the period ended December 31, 2018, including the related notes (collectively referred to as the "financial statements"). We also have audited the Trust's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of December 31, 2018 and 2017**,** and the results of its operations, changes in its net assets, and its cash flows for each of the three years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Trust maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Sponsor's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in *Management's Report on Internal Control over Financial Reporting* appearing under Item 9A. Our responsibility is to express opinions on the Trust's financial statements and on the Trust's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A trust's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A trust's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Trust; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Trust are being made only in accordance with authorizations of management and Sponsor of the Trust; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Trust's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

San Francisco, California

February 28, 2019

We have served as the Trust's auditor since 2006.

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iShares Silver Trust
Statements of Assets and Liabilities
At December 31, 2018 and 2017

	December 31, 2018	2017
Assets		
Investment in silver bullion, at fair value(a)	$*4,906,017,787*	$*5,407,419,250*
Total Assets	*4,906,017,787*	*5,407,419,250*
Liabilities		
Sponsor's fees payable	*1,981,164*	*2,225,399*
Total Liabilities	*1,981,164*	*2,225,399*
Commitments and contingent liabilities (Note 6)	—	—
Net Assets	$*4,904,036,623*	$*5,405,193,851*
Shares issued and outstanding(b)	*337,850,000*	*339,750,000*
Net asset value per Share (Note 2C)	$*14.52*	$*15.91*

(a) Cost of investment in silver bullion: $5,641,558,156 and $5,831,748,196, respectively.
(b) No par value, unlimited amount authorized.

See notes to financial statements.

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iShares Silver Trust
Statements of Operations
For the years ended December 31, 2018, 2017 and 2016

	Years Ended December 31, 2018	2017	2016
Expenses			
Sponsor's fees	$*25,335,523*	$*28,299,587*	$*29,148,568*
Total expenses	*25,335,523*	*28,299,587*	*29,148,568*
Net investment loss	*(25,335,523*)	*(28,299,587*)	*(29,148,568*)
Net Realized and Unrealized Gain (Loss)			
Net realized gain (loss) from:			
Silver bullion sold to pay expenses	*(3,730,211*)	*(2,210,911*)	*(2,513,184*)
Silver bullion distributed for the redemption of Shares	*(132,049,264*)	*(89,909,906*)	*(108,726,523*)
Net realized loss	*(135,779,475*)	*(92,120,817*)	*(111,239,707*)
Net change in unrealized appreciation/depreciation	*(311,211,423*)	*337,891,452*	*823,171,043*
Net realized and unrealized gain (loss)	*(446,990,898*)	*245,770,635*	*711,931,336*
Net increase (decrease) in net assets resulting from operations	$*(472,326,421*)	$*217,471,048*	$*682,782,768*
Net increase (decrease) in net assets per Share(a)	$*(1.38*)	$*0.62*	$*1.91*

(a) Net increase (decrease) in net assets per Share based on average shares outstanding during the year.

See notes to financial statements.

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iShares Silver Trust
Statements of Changes in Net Assets
For the years ended December 31, 2018, 2017 and 2016

	Years Ended December 31,		
	2018	**2017**	**2016**
Net Assets, Beginning of Year	$*5,405,193,851*	$*5,541,130,643*	$*4,391,943,604*
Operations:			
Net investment loss	*(25,335,523)*	*(28,299,587)*	*(29,148,568)*
Net realized loss	*(135,779,475)*	*(92,120,817)*	*(111,239,707)*
Net change in unrealized appreciation/depreciation	*(311,211,423)*	*337,891,452*	*823,171,043*
Net increase (decrease) in net assets resulting from operations	*(472,326,421)*	*217,471,048*	*682,782,768*
Capital Share Transactions:			
Contributions for Shares issued	*954,051,929*	*873,170,446*	*1,702,628,324*
Distributions for Shares redeemed	*(982,882,736)*	*(1,226,578,286)*	*(1,236,224,053)*
Net increase (decrease) in net assets from capital share transactions	*(28,830,807)*	*(353,407,840)*	*466,404,271*
Increase (decrease) in net assets	*(501,157,228)*	*(135,936,792)*	*1,149,187,039*
Net Assets, End of Year	$*4,904,036,623*	$*5,405,193,851*	$*5,541,130,643*
Shares issued and redeemed			
Shares issued	*64,000,000*	*55,800,000*	*102,750,000*
Shares redeemed	*(65,900,000)*	*(75,950,000)*	*(76,400,000)*
Net increase (decrease) in Shares issued and outstanding	*(1,900,000)*	*(20,150,000)*	*26,350,000*

See notes to financial statements.

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iShares Silver Trust
Statements of Cash Flows
For the years ended December 31, 2018, 2017 and 2016

	Years Ended December 31,		
	2018	**2017**	**2016**
Cash Flows from Operating Activities			
Proceeds from silver bullion sold to pay expenses	$*25,579,758*	$*28,438,986*	$*28,700,680*
Expenses – Sponsor’s fees paid	*(25,579,758*)	*(28,438,986*)	*(28,700,680*)
Net cash provided by operating activities	—	—	—
Increase (decrease) in cash	—	—	—
Cash, beginning of year	—	—	—
Cash, end of year	$—	$—	$—
Reconciliation of Net Increase (Decrease) in Net Assets Resulting from Operations to Net Cash Provided by (Used in) Operating Activities			
Net increase (decrease) in net assets resulting from operations	$*(472,326,421*)	$*217,471,048*	$*682,782,768*
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:			
Proceeds from silver bullion sold to pay expenses	*25,579,758*	*28,438,986*	*28,700,680*
Net realized (gain) loss	*135,779,475*	*92,120,817*	*111,239,707*
Net change in unrealized appreciation/depreciation	*311,211,423*	*(337,891,452*)	*(823,171,043*)
Change in operating assets and liabilities:			
Sponsor’s fees payable	*(244,235*)	*(139,399*)	*447,888*
Net cash provided by (used in) operating activities	$—	$—	$—
Supplemental disclosure of non-cash information:			
Silver bullion contributed for Shares issued	$*954,051,929*	$*873,170,446*	$*1,702,628,324*
Silver bullion distributed for Shares redeemed	$*(982,882,736*)	$*(1,226,578,286*)	$*(1,236,224,053*)

See notes to financial statements.

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iShares Silver Trust
Schedules of Investments
At *December 31, 2018* and *2017*

December 31, 2018

Description	Ounces	Cost	Fair Value
Silver bullion	*317,233,610*	$*5,641,558,156*	$*4,906,017,787*
Total Investment – 100.04%			*4,906,017,787*
Less Liabilities – (0.04)%			*(1,981,164*)
Net Assets – 100.00%			$*4,904,036,623*

December 31, 2017

Description	Ounces	Cost	Fair Value
Silver bullion	*320,629,662*	$*5,831,748,196*	$*5,407,419,250*
Total Investment – 100.04%			*5,407,419,250*
Less Liabilities – (0.04)%			*(2,225,399*)
Net Assets – 100.00%			$*5,405,193,851*

See notes to financial statements.

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iShares Silver Trust

Notes to Financial Statements

December 31, 2018

1 - Organization

The iShares Silver Trust (the "Trust") was organized on *April 21, 2006* as a New York trust. The trustee is The Bank of New York Mellon (the "Trustee"), which is responsible for the day-to-day administration of the Trust. The Trust's sponsor is iShares Delaware Trust Sponsor LLC, a Delaware limited liability company (the "Sponsor"). The Trust is governed by the provisions of the Second Amended and Restated Depositary Trust Agreement (the "Trust Agreement") executed by the Trustee and the Sponsor as of *December 22, 2016.* The Trust issues units of beneficial interest ("Shares") representing fractional undivided beneficial interests in its net assets.

The Trust seeks to reflect generally the performance of the price of silver. The Trust seeks to reflect such performance before payment of the Trust's expenses and liabilities. The Trust is designed to provide a vehicle for investors to make an investment similar to an investment in silver.

The Trust qualifies as an investment company solely for accounting purposes and *not* for any other purpose and follows the accounting and reporting guidance under the Financial Accounting Standards Board Accounting Standards Codification Topic *946, Financial Services - Investment Companies*, but is *not* registered, and is *not* required to be registered, as an investment company under the Investment Company Act of *1940,* as amended.

2 - Significant Accounting Policies

A. Basis of Accounting

The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Certain statements and captions in the financial statements for the prior periods have been changed to conform to the current financial statement presentation.

B. Silver Bullion

JPMorgan Chase Bank N.A., London branch (the "Custodian"), is responsible for the safekeeping of silver bullion owned by the Trust.

Fair value of the silver bullion held by the Trust is based on that day's LBMA Silver Price. "LBMA Silver Price" is the price per ounce of silver, stated in U.S. dollars, determined by the ICE Benchmark Administration ("IBA") following an electronic auction consisting of *one* or more *30-second* rounds starting at *12:00* p.m. (London time), on each day that the London silver market is open for business, and published shortly thereafter. If there is *no* LBMA Silver Price on any day, the Trustee is authorized to use the most recently announced LBMA Silver Price unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate as a basis for evaluation. Prior to *October 2, 2017,* the LBMA Silver Price was determined using an electronic auction administered by CME Group Inc. ("CME Group") and published by Thomson Reuters. Effective as of *October 2, 2017,* IBA replaced CME Group and Thomson Reuters as the administrator for the LBMA Silver Price and began administering the electronic auction for the LBMA Silver Price.

Gain or loss on sales of silver bullion is calculated on a trade date basis using the average cost method.

The following tables summarize activity in silver bullion for the years ended *December 31, 2018, 2017* and *2016:*

Year Ended December 31, 2018	**Ounces**	**Cost**	**Fair Value**	**Realized Gain (Loss)**
Beginning balance	*320,629,662*	$*5,831,748,196*	$*5,407,419,250*	$—
Silver bullion contributed	*60,236,118*	*954,051,929*	*954,051,929*	—
Silver bullion distributed	*(62,004,144*)	*(1,114,932,000*)	*(982,882,736*)	*(132,049,264*)
Silver bullion sold to pay expenses	*(1,628,026*)	*(29,309,969*)	*(25,579,758*)	*(3,730,211*)
Net realized loss	—	—	*(135,779,475*)	—
Net change in unrealized appreciation/depreciation	—	—	*(311,211,423*)	—
Ending balance	*317,233,610*	$*5,641,558,156*	$*4,906,017,787*	$*(135,779,475*)

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Year Ended December 31, 2017	**Ounces**	**Cost**	**Fair Value**	**Realized Gain (Loss)**
Beginning balance	*341,348,242*	$*6,305,715,839*	$*5,543,495,441*	$—
Silver bullion contributed	*52,760,584*	*873,170,446*	*873,170,446*	—
Silver bullion distributed	*(71,810,555)*	*(1,316,488,192)*	*(1,226,578,286)*	*(89,909,906)*
Silver bullion sold to pay expenses	*(1,668,609)*	*(30,649,897)*	*(28,438,986)*	*(2,210,911)*
Net realized loss	—	—	*(92,120,817)*	—
Net change in unrealized appreciation/depreciation	—	—	*337,891,452*	—
Ending balance	*320,629,662*	$*5,831,748,196*	$*5,407,419,250*	$*(92,120,817)*

Year Ended December 31, 2016	**Ounces**	**Cost**	**Fair Value**	**Realized Gain (Loss)**
Beginning balance	*317,934,907*	$*5,979,251,955*	$*4,393,860,514*	$—
Silver bullion contributed	*97,670,323*	*1,702,628,324*	*1,702,628,324*	—
Silver bullion distributed	*(72,574,751)*	*(1,344,950,576)*	*(1,236,224,053)*	*(108,726,523)*
Silver bullion sold to pay expenses	*(1,682,237)*	*(31,213,864)*	*(28,700,680)*	*(2,513,184)*
Net realized loss	—	—	*(111,239,707)*	—
Net change in unrealized appreciation/depreciation	—	—	*823,171,043*	—
Ending balance	*341,348,242*	$*6,305,715,839*	$*5,543,495,441*	$*(111,239,707)*

C. Calculation of Net Asset Value

On each business day, as soon as practicable after *4:00* p.m. (New York time), the net asset value of the Trust is obtained by subtracting all accrued fees, expenses and other liabilities of the Trust from the fair value of the silver and other assets held by the Trust. The Trustee computes the net asset value per Share by dividing the net asset value of the Trust by the number of Shares outstanding on the date the computation is made.

D. Offering of the Shares

Trust Shares are issued and redeemed continuously in aggregations of *50,000* Shares in exchange for silver bullion rather than cash. Individual investors cannot purchase or redeem Shares in direct transactions with the Trust. The Trust only transacts with registered broker-dealers that are eligible to settle securities transactions through the book-entry facilities of the Depository Trust Company and that have entered into a contractual arrangement with the Trustee and the Sponsor governing, among other matters, the creation and redemption of Shares (such broker-dealers, the "Authorized Participants"). Holders of Shares of the Trust *may* redeem their Shares at any time acting through an Authorized Participant and in the prescribed aggregations of *50,000* Shares *provided*, that redemptions of Shares *may* be suspended during any period while regular trading on NYSE Arca, Inc. ("NYSE Arca") is suspended or restricted, or in which an emergency exists as a result of which delivery, disposal or evaluation of silver is *not* reasonably practicable.

The per Share amount of silver exchanged for a purchase or redemption represents the per Share amount of silver held by the Trust, after giving effect to its liabilities.

When silver bullion is exchanged in settlement of a redemption, it is considered a sale of silver bullion for accounting purposes.

Share activities for the years ended *December 31, 2018, 2017* and *2016* were as follows:

	December 31, 2018		**2017**		**2016**	
	Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
Shares issued	*64,000,000*	$*954,051,929*	*55,800,000*	$*873,170,446*	*102,750,000*	$*1,702,628,324*
Shares redeemed	*(65,900,000*)	*(982,882,736*)	*(75,950,000*)	*(1,226,578,286*)	*(76,400,000*)	*(1,236,224,053*)
Net increase (decrease)	*(1,900,000*)	$*(28,830,807*)	*(20,150,000*)	$*(353,407,840*)	*26,350,000*	$*466,404,271*

E. Federal Income Taxes

The Trust is treated as a grantor trust for federal income tax purposes and, therefore, *no* provision for federal income taxes is required. Any interest, expenses, gains and losses are passed through to the holders of Shares of the Trust.

The Sponsor has analyzed applicable tax laws and regulations and their application to the Trust as *of December 31, 2018* and does *not* believe that there are any uncertain tax positions that require recognition of a tax liability.

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_3_ - Trust Expenses

The Trust pays to the Sponsor a Sponsor's fee that accrues daily at an annualized rate equal to *0.50%* of the net asset value of the Trust, paid monthly in arrears. The Sponsor has agreed to assume the following administrative and marketing expenses incurred by the Trust: the Trustee's fee, the Custodian's fee, 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.

_4_ - Related Parties

The Sponsor and the Trustee are considered to be related parties to the Trust. The Trustee's fee is paid by the Sponsor and is *not* a separate expense of the Trust.

_5_ - Indemnification

The Trust Agreement provides that the Sponsor and its shareholders, directors, officers, employees, affiliates and subsidiaries shall be indemnified by the Trust for any loss, liability or expense incurred by any such person that arises out of or in connection with the performance of obligations under the Trust Agreement or any actions taken in accordance with the provisions of the Trust Agreement, absent such person's negligence, bad faith, willful misconduct, willful malfeasance or reckless disregard of such person's duties and obligations.

The Trust has agreed that the Custodian will only be responsible for any loss or damage suffered by the Trust as a direct result of the Custodian's negligence, fraud or willful default in the performance of its duties.

_6_ - Commitments and Contingent Liabilities

In the normal course of business, the Trust *may* enter into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that *may* be made against the Trust that have *not* yet occurred.

7 - Concentration Risk

Substantially all of the Trust's assets are holdings of silver bullion, which creates a concentration risk associated with fluctuations in the price of silver. Accordingly, a decline in the price of silver will have an adverse effect on the value of the Shares of the Trust. Factors that *may* have the effect of causing a decline in the price of silver include a change in economic conditions (such as a recession), an increase in the hedging activities of silver producers, and changes in the attitude of speculators, investors and other market participants towards silver.

8 - Financial Highlights

The following financial highlights relate to investment performance and operations for a Share outstanding for the years ended *December 31, 2018, 2017* and *2016.*

	December 31,		
	2018	**2017**	**2016**
Net asset value per Share, beginning of year	$*15.91*	$*15.40*	$*13.17*
Net investment loss(a)	*(0.07*)	*(0.08*)	*(0.08*)
Net realized and unrealized gain (loss)(b)	*(1.32*)	*0.59*	*2.31*
Net increase (decrease) in net assets from operations	*(1.39*)	*0.51*	*2.23*
Net asset value per Share, end of year	$*14.52*	$*15.91*	$*15.40*
Total return, at net asset value(c)	*(8.74*)%	*3.31* %	*16.93*%
Ratio to average net assets:			
Net investment loss	*(0.50*)%	*(0.50*)%	*(0.50*)%
Expenses	*0.50* %	*0.50* %	*0.50* %

(a) Based on average Shares outstanding during the period.
(b) The amounts reported for a Share outstanding *may not* accord with the change in aggregate gains and losses on investment for the period due to the timing of Trust Share transactions in relation to the fluctuating fair values of the Trust's underlying investment.
(c) Based on the change in net asset value of a Share during the period.

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_9_ - Investment Valuation

U.S. GAAP defines fair value as the price the Trust would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trust's policy is to value its investment at fair value.

Various inputs are used in determining the fair value of assets and liabilities. Inputs *may* be based on independent market data ("observable inputs") or they *may* be internally developed ("unobservable inputs"). These inputs are categorized into a disclosure hierarchy consisting of *three* broad levels for financial reporting purposes. The level of a value determined for an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement in its entirety. The *three* levels of the fair value hierarchy are as follows:

Level *1* –	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level *2* –	Inputs other than quoted prices included within Level *1* that are observable for the asset or liability either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are *not* considered to be active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
Level *3* –	Unobservable inputs that are unobservable for the asset or liability, including the Trust's assumptions used in determining the fair value of investments.

At *December 31, 2018* and *December 31, 2017,* the value of the silver bullion held by the Trust is categorized as Level *1.*

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned in the capacities* indicated thereunto duly authorized.

iShares Delaware Trust Sponsor LLC,

Sponsor of the iShares Silver Trust (registrant)

/s/ Paul Lohrey
Paul Lohrey
Director, President and Chief Executive Officer
(Principal executive officer)

Date: February 28, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities* and on the dates indicated.

/s/ Paul Lohrey
Paul Lohrey
Director, President and Chief Executive Officer
(Principal executive officer)

Date: February 28, 2019

/s/ Jack Gee
Jack Gee
Director and Chief Financial Officer
(Principal financial and accounting officer)

Date: February 28, 2019

/s/ Philip Jensen
Philip Jensen
Director

Date: February 28, 2019

/s/ Peter Landini
Peter Landini
Director

Date: February 28, 2019

/s/ Kimun Lee
Kimun Lee
Director

Date: February 28, 2019

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* The registrant is a trust and the persons are signing in their respective capacities as officers or directors of iShares Delaware Trust Sponsor LLC, the Sponsor of the registrant.