

iShares Silver Trust
Form S-3ASR
December 30, 2008
Table of Contents

As filed with the Securities and Exchange Commission on December 30, 2008

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

REGISTRATION STATEMENT

ON

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

iSHARES[®] SILVER TRUST

SPONSORED BY BARCLAYS GLOBAL INVESTORS INTERNATIONAL, INC.

(Exact name of Registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

6189
(Primary Standard Industrial
Classification Code Number)
c/o Barclays Global Investors International, Inc.

13-7474456
(I.R.S. Employer
Identification No.)

400 Howard Street, San Francisco, CA 94105

Attn: BGI's Product Management Team,

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Intermediary Investor and Exchange Traded Products Department
(415) 597-2000

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Barclays Global Investors International, Inc.
400 Howard Street, San Francisco, CA 94105
Attn: BGI's Product Management Team,
Intermediary Investor and Exchange Traded Products Department
(415) 597-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

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Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF THE REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed	Proposed	Amount of registration fee(2)
		maximum offering price per unit(1)	maximum aggregate offering price	
iShares	173,450,000	\$10.24	\$1,776,128,000	\$69,801.83

- (1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended (the Securities Act), based on an average of the high and low price of the iShares on NYSE Arca of \$10.24 on December 24, 2008.
- (2) Pursuant to Rule 457(p) under the Securities Act, the registration fee is offset against the filing fee associated with unsold securities registered by the registrant pursuant to Registration Statement No. 333-137621 filed on September 27, 2006 (the Earlier Registration Statement). A filing fee of \$179,171.50 was paid in connection with the registration pursuant to the Earlier Registration Statement of 15,222,727 iShares (12,122,727 of which were not sold). Of the unused \$142,684 filing fee paid in connection with the Earlier Registration Statement, \$46,260.45 was applied by the registrant on July 12, 2007, in connection with the registration of 12,122,727 iShares pursuant to Registration Statement No. 333-144513, and \$26,610 was applied by the registrant on March 19, 2008, in connection with the registration of 3,427,273 iShares pursuant to Registration Statement No. 333-149810. All share-amount references in this paragraph are to shares of the registrant before giving effect to the ten-for-one stock split that took place on July 23, 2008. Pursuant to Rule 429 under the Securities Act of 1933, as amended, the prospectus included in this Registration Statement is a combined prospectus which also relates to 27,000,000 unsold iShares registered under Registration Statement No. 333-149810 filed on March 19, 2008. A filing fee of \$26,610 was paid in connection with the registration of such shares. Upon effectiveness, this Registration Statement will act as a post-effective amendment to such earlier Registration Statement.

Table of Contents

200,450,000 iShares[®]

iShares Silver Trust

The iShares Silver Trust issues shares representing fractional undivided beneficial interests in its net assets. The assets of the trust consist primarily of silver held by the custodian on behalf of the trust. The objective of the trust is for the shares of the trust, called iShares[®], to reflect the price of silver owned by the trust less the trust's expenses and liabilities. The iShares are listed and traded on NYSE Arca under the symbol SLV. Market prices for the iShares may be different from the net asset value per iShare. Barclays Global Investors International, Inc. is the sponsor of the trust, The Bank of New York is the trustee of the trust, and JPMorgan Chase Bank N.A., London branch, is the custodian of the trust. The trust is not an investment company registered under the Investment Company Act of 1940. The trust is not a commodity pool for purposes of the Commodity Exchange Act, and its sponsor is not subject to regulation by the Commodity Futures Trading Commission as a commodity pool operator, or a commodity trading advisor.

Silver owned by the trust will be held by the custodian in England, and other locations that may be authorized in the future. The agreement between the trust and the custodian is governed by English law.

The trust intends to issue iShares on a continuous basis. The trust issues and redeems iShares only in blocks of 50,000 or integral multiples thereof. A block of 50,000 iShares is called a Basket. These transactions take place in exchange for silver. Only registered broker-dealers that become authorized participants by entering into a contract with the sponsor and the trustee may purchase or redeem Baskets. iShares will be offered to the public from time to time at prices that will reflect the price of silver and the trading price of the iShares on NYSE Arca at the time of the offer.

On December 29, 2008, the iShares closed on NYSE Arca at \$10.77 and the London Fix was \$10.93 (London Fix is the price per ounce of silver set by three market making members of the London Bullion Market Association at approximately 12:00 noon, London time, on each working day).

Except when aggregated in Baskets, iShares are not redeemable securities.

Investing in the iShares involves significant risks. See Risk Factors starting on page 7.

Neither the Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of the securities offered in this prospectus, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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The iShares are not interests in or obligations of the sponsor or the trustee. The iShares are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

iShares is a registered trademark of Barclays Global Investors, N.A.

The date of this prospectus is December 30, 2008.

Table of Contents

TABLE OF CONTENTS

	Page
<u>STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	iii
<u>GLOSSARY</u>	iii
<u>PROSPECTUS SUMMARY</u>	1
<u>Trust Structure, the Sponsor, the Trustee and the Custodian</u>	1
<u>Trust Objective</u>	2
<u>Principal Offices</u>	3
<u>THE OFFERING</u>	4
<u>SUMMARY FINANCIAL CONDITION</u>	6
<u>RISK FACTORS</u>	7
<u>USE OF PROCEEDS</u>	12
<u>THE SILVER INDUSTRY</u>	13
<u>Introduction</u>	13
<u>Market Participants</u>	13
<u>World Silver Supply and Demand (1998-2007)</u>	14
<u>Historical Charts of the Price of Silver</u>	16
<u>OPERATION OF THE SILVER MARKET</u>	18
<u>Over-the-Counter Market</u>	18
<u>London Good Delivery Bar</u>	18
<u>Settlement and Delivery</u>	18
<u>Allocated Accounts</u>	18
<u>Unallocated Accounts</u>	18
<u>London Market Regulation</u>	19
<u>Futures Exchanges</u>	19
<u>Not a Regulated Commodity Pool</u>	20
<u>BUSINESS OF THE TRUST</u>	21
<u>Trust Objective</u>	21
<u>Secondary Market Trading</u>	21
<u>Valuation of Silver: Computation of Net Asset Value</u>	22
<u>Trust Expenses</u>	22
<u>Impact of Trust Expenses on the Trust's Net Asset Value</u>	23
<u>DESCRIPTION OF THE iSHARES AND THE TRUST AGREEMENT</u>	24
<u>Deposit of Silver; Issuance of Baskets of iShares</u>	24
<u>Redemption of Baskets of iShares; Withdrawal of Silver</u>	25
<u>Certificates Evidencing the iShares</u>	26
<u>Cash and Other Distributions</u>	26
<u>Voting Rights</u>	26
<u>Fees and Expenses of the Trustee</u>	26
<u>Trust Expenses and Silver Sales</u>	27
<u>Payment of Taxes</u>	27
<u>Evaluation of Silver and the Trust Assets</u>	27
<u>Amendment and Termination</u>	27
<u>Limitations on Obligations and Liability</u>	28
<u>Requirements for Trustee Actions</u>	28

Table of Contents

TABLE OF CONTENTS

(continued)

	Page
<u>THE SECURITIES DEPOSITORY; BOOK-ENTRY-ONLY SYSTEM; GLOBAL SECURITY</u>	29
<u>THE SPONSOR</u>	30
<u>The Sponsor's Role</u>	30
<u>The Sponsor's Fee</u>	30
<u>THE TRUSTEE</u>	31
<u>The Trustee's Role</u>	31
<u>THE CUSTODIAN</u>	31
<u>The Custodian's Role</u>	31
<u>Custody of the Trust's Silver</u>	32
<u>UNITED STATES FEDERAL INCOME TAX CONSEQUENCES</u>	34
<u>Taxation of the Trust</u>	34
<u>Taxation of U.S. Shareholders</u>	35
<u>Maximum 28% Long-Term Capital Gains Tax Rate for U.S. Shareholders Who Are Individuals</u>	36
<u>Brokerage Fees and Trust Expenses</u>	36
<u>Investment by U.S. Tax-Exempt Shareholders</u>	36
<u>Investment by Regulated Investment Companies</u>	36
<u>Investment by Certain Retirement Plans</u>	36
<u>Taxation of Non-U.S. Shareholders</u>	37
<u>United States Information Reporting and Backup Withholding</u>	37
<u>Taxation in Jurisdictions Other Than the United States</u>	37
<u>ERISA AND RELATED CONSIDERATIONS</u>	37
<u>PLAN OF DISTRIBUTION</u>	39
<u>LEGAL MATTERS</u>	40
<u>License Agreement</u>	40
<u>EXPERTS</u>	40
<u>WHERE YOU CAN FIND MORE INFORMATION; INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	40

Table of Contents

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus 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, expect, plan, anticipate, believe, estimate, predict, potential or the negative of the other comparable terminology. All statements (other than statements of historical fact) included in this prospectus 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 iShares), the trust's operations, the sponsor's plans 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 discussed in this prospectus, general economic, market and business conditions, changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies, and other world economic and political developments. See Risk Factors. Consequently, all the forward-looking statements made in this prospectus 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, that they will result in the expected consequences to, or have the expected effects on, the trust's operations or the value of the iShares. Moreover, neither the sponsor, nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements. 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.

GLOSSARY

In this prospectus, each of the following terms has the meaning set forth below:

Authorized Participant A person who, at the time of submitting to the trustee an order to create or redeem one or more Baskets (1) is a registered broker-dealer, (2) is a DTC Participant or an Indirect Participant, and (3) has in effect a valid Authorized Participant Agreement.

Authorized Participant Agreement An agreement entered into by each Authorized Participant, the sponsor and the trustee which provides the procedures for the creation and redemption of Baskets.

Basket A block of 50,000 iShares or such number of iShares as the trustee, in consultation with the sponsor, may from time to time determine.

Basket Silver Amount The amount of silver (measured in ounces), determined on each Business Day by the trustee, which Authorized Participants must transfer to the trust in exchange for a Basket, or will receive in exchange for each Basket surrendered for redemption.

Business Day Any day other than (i) a Saturday or a Sunday, or (ii) a day on which NYSE Arca is closed for regular trading.

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CFTC Commodity Futures Trading Commission, an independent agency with the mandate to regulate commodity futures and option markets in the United States.

Code The United States Internal Revenue Code of 1986, as amended.

COMEX The exchange market on silver futures contracts operated by Commodity Exchange, Inc., a subsidiary of New York Mercantile Exchange, Inc.

iii

Table of Contents

Commodity Exchange Act The United States Commodity Exchange Act of 1936, as amended.

Custodian JPMorgan Chase Bank N.A., a national banking association, acting through its London branch.

Custodian Agreement The agreement, governed by English law, between the trustee and the custodian regarding the custody of the trust's silver.

DTC The Depository Trust Company, a limited purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC Participant An entity which, pursuant to DTC's governing documents, is entitled to deposit securities with DTC in its capacity as a participant.

ERISA The Employee Retirement Income Security Act of 1974, as amended.

Exchange Act The United States Securities Exchange Act of 1934, as amended.

FINRA Financial Industry Regulatory Authority.

FSA The Financial Services Authority, an independent non-governmental body which exercises statutory regulatory power under the FSM Act.

FSM Act The United Kingdom Financial Services and Markets Act 2000.

Indirect Participant An entity which has access to the DTC clearing system by clearing securities through, or maintaining a custodial relationship with, a DTC Participant.

IRA Individual retirement account.

IRS Internal Revenue Service.

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iShares Units of fractional undivided beneficial interest in the net assets of the trust which are issued by the trust.

LBMA The London Bullion Market Association, a trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London bullion market.

London Fix means the price for an ounce of silver set by three market making members of the LBMA at approximately 12:00 noon, London time, on each working day.

London Good Delivery Bar A bar of silver meeting the London Good Delivery Standards.

London Good Delivery Standards 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.

NASD National Association of Securities Dealers.

Table of Contents

NAV Net asset value per iShare. See **Business of the Trust** **Valuation of Silver; Computation of Net Asset Value** for a description of how the net asset value of the trust and the NAV are calculated.

Non-U.S. Shareholder A shareholder that is not a U.S. Shareholder.

NYSE Arca The NYSE Arca Marketplace operated by NYSE Arca Equities Inc.

OTC The global Over-the-Counter market for the trading of silver which consists of transactions in spot, forwards, and options and other derivatives.

Ounce A troy ounce, equal to 1.0971428 ounces avoirdupois, with a minimum fineness of 0.999. **Avoirdupois** is the system of weights used in the U.S. and Great Britain for goods other than precious metals, gems and drugs. In that system, a pound has 16 ounces and an ounce has 16 drams.

Plans 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 ERISA and/or Section 4975 of the Code.

SEC The Securities and Exchange Commission.

Securities Act The United States Securities Act of 1933, as amended.

Shareholders Owners of beneficial interests in the iShares.

Sponsor Barclays Global Investors International, Inc., an indirect subsidiary of Barclays Bank PLC.

TOCOM The Tokyo Commodity Exchange.

Trust The iShares Silver Trust, a New York trust formed pursuant to the Trust Agreement.

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Trust Agreement The Depositary Trust Agreement dated April 21, 2006 among the sponsor, The Bank of New York, the registered and beneficial owners from time to time of iShares and all persons that deposit silver for creation of iShares under which the trust has been formed.

Trustee The Bank of New York, a banking corporation organized under the laws of the State of New York with trust powers.

Unallocated Silver is said to be held in unallocated form at a custodian when the person in whose name silver is so held is entitled to receive delivery of silver in the amount standing to the credit of that person's account, but that person has no ownership interest in any particular silver that the custodian maintaining the account owns or holds. In contrast, silver is held in allocated form when specific bars of silver held by the custodian are identified as the property of the person holding the allocated account.

U.S. Shareholder A Shareholder that is (1) an individual who is treated as a citizen or resident of the United States for United States federal income tax purposes; (2) a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof; (3) an estate, the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or (4) 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.

Table of Contents

PROSPECTUS SUMMARY

Although the sponsor believes that this summary is materially complete, you should read the entire prospectus, including Risk Factors beginning on page 7, before making an investment decision about the iShares.

Trust Structure, the Sponsor, the Trustee and the Custodian

The trust was formed on April 21, 2006 when the sponsor and The Bank of New York signed the Depositary Trust Agreement (Trust Agreement) and an initial deposit of silver was made in exchange for the issuance of three Baskets. The purpose of the trust is to own silver transferred to the trust in exchange for shares issued by the trust (iShares). Each iShare 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 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 iShares will be issued until after the record date for the distribution of such cash or other property has passed.

The trust issues iShares only in Baskets of 50,000 or integral multiples thereof. Baskets of iShares may be redeemed by the trust in exchange for the amount of silver corresponding to their redemption value. Individual iShares will not be redeemed by the trust, but will be listed and traded on NYSE Arca under the symbol SLV . The objective of the trust is for the value of the iShares to reflect, at any given time, the price of silver owned by the trust at that time, less the trust s expenses and liabilities. The material terms of the trust are discussed in greater detail under the section Description of the iShares and the Trust Agreement . The trust is not a registered investment company under the Investment Company Act of 1940 and is not required to register under such act.

The trust s sponsor is Barclays Global Investors International, Inc., a Delaware corporation and a subsidiary of Barclays Bank PLC. *The iShares are not obligations of, and are not guaranteed by, Barclays Global Investors International, Inc. or any of its subsidiaries or affiliates.*

The sponsor has arranged for the creation of the trust, the registration of the iShares for their public offering in the United States and the listing of the iShares on NYSE Arca. 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 also paid the costs of the trust s organization and the initial sale of the iShares, including the applicable SEC registration fees.

The sponsor does not exercise day-to-day oversight over the trustee or the custodian. The sponsor may remove the trustee and appoint a successor trustee if the trustee ceases to meet certain objective requirements (including the requirement that it have capital, surplus and undivided profits of at least \$150 million) or if, having received written notice of a material breach of its obligations under the Trust Agreement, the trustee has not cured the breach within thirty days. The sponsor also has the right to replace the trustee during the ninety days following any merger, consolidation or conversion in which the trustee is not the surviving entity or, in its discretion, on the fifth anniversary of the creation of the trust or on any subsequent third anniversary thereafter. The sponsor also has the right to approve any new or additional custodian that the trustee may wish to appoint.

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The trustee is The Bank of New York and the custodian is JPMorgan Chase Bank N.A., London branch. The agreement between the trust and the custodian is governed by English law.

The trustee is responsible for the day-to-day administration of the trust. The responsibilities of the trustee include (1) processing orders for the creation and redemption of Baskets; (2) coordinating with the custodian the

Table of Contents

receipt and delivery of silver transferred to, or by, the trust in connection with each issuance and redemption of Baskets; (3) calculating the net asset value and the adjusted net asset value of the trust on each business day; and (4) selling the trust's silver as needed to cover the trust's expenses. For a more detailed description of the role and responsibilities of the trustee see Description of the iShares and the Trust Agreement and The Trustee.

The custodian is responsible for safekeeping the silver owned by the trust. The custodian is appointed by the trustee and is responsible for any loss of silver to the trustee only. The general role and responsibilities of the custodian are further described in The Custodian. Because the holders of iShares are not parties to the custodian agreement, their claims against the custodian may be limited. In addition, because the custodian agreement is governed by English law, any rights which the holders of the iShares 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 iShares may have against the trust or the trustee. The custodian has no obligation to accept any additional delivery on behalf of the trust if, after giving effect to such delivery, the total amount of the trust's silver held by the custodian exceeds 264,550,265 troy ounces. If this limit is exceeded, it is anticipated that the trustee, with the consent of the sponsor, will retain an additional custodian. If an additional custodian becomes necessary, the trustee will seek to hire the additional custodian under terms and conditions substantially similar to those in the agreement with JPMorgan Chase Bank N.A., London branch. However, because the agreement with the additional custodian will only be negotiated when the need for the additional custodian arises, it may not be possible for the trustee to locate at that time an additional custodian that agrees to exactly the same terms of the agreement with JPMorgan Chase Bank N.A., London branch. As a result, the new agreement may differ from the current one with JPMorgan Chase Bank N.A., London branch, with respect to issues like duration, fees, maximum amount of silver that the additional custodian will hold on behalf of the trust, scope of the additional custodian's liability and the additional custodian's standard of care.

Trust Objective

The objective of the trust is for the value of the iShares to reflect, at any given time, the price of silver owned by the trust at that time, less the trust's expenses and liabilities. 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 trust receives silver deposited with it in exchange for the creation of Baskets of iShares, sells silver as necessary to cover the trust expenses and other liabilities and delivers silver in exchange for Baskets of iShares surrendered to it for redemption.

The iShares are intended to constitute a simple and cost-effective means of making an investment similar to an investment in silver. Although the iShares 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 iShares is:

Backed by silver held by the custodian on behalf of the trust.

The iShares are backed by silver, identified on the custodian's books in allocated and unallocated accounts on behalf of the trust and held by the custodian in England and other locations that may be authorized in the future.

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

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Retail investors may purchase and sell iShares through traditional brokerage accounts at prices expected to be less than the amount required for currently existing means of investing in physical silver. iShares are eligible for margin accounts.

Listed.

The iShares are listed and traded on NYSE Arca under the symbol SLV .

2

Table of Contents

Relatively cost efficient.

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

Principal Offices

The sponsor's office is located at 400 Howard Street, San Francisco, CA 94105. The trustee has a trust office at 101 Barclay Street, Floor 6E, New York, New York 10286. The custodian's registered office is 125 London Wall, London, EC2Y 5AJ, England.

Table of Contents

THE OFFERING

Offering	The iShares represent units of fractional undivided beneficial interest in the net assets of the trust.
Use of proceeds	Proceeds received by the trust from the issuance and sale of Baskets consist of silver deposits. Such deposits are held by the custodian on behalf of the trust until (i) delivered to Authorized Participants in connection with a redemption of Baskets or (ii) sold to pay the fee due to the sponsor and trust expenses or liabilities not assumed by the sponsor.
NYSE Arca symbol	SLV
CUSIP	46428Q109
Creation and redemption	The trust issues and redeems Baskets of iShares on a continuous basis (a Basket equals 50,000 iShares). Baskets of iShares are only issued or redeemed in exchange for an amount of silver determined by the trustee on each day that NYSE Arca is open for regular trading. No iShares are issued unless the custodian has allocated to the trust's account (except for an unallocated amount of silver not in excess of 1100 ounces), the corresponding amount of silver. On the day of creation of the trust, a Basket required delivery of 500,000 ounces of silver. The amount of silver necessary for the creation of a Basket, or to be received upon redemption of a Basket, decreases continuously over the life of the trust, due to the payment or accrual of fees and other expenses or liabilities payable by the trust. Baskets may be created or redeemed only by Authorized Participants, who pay the trustee a transaction fee for each order to create or redeem Baskets. See Description of the iShares and the Trust Agreement for more details.
Net Asset Value	The net asset value of the trust is obtained by subtracting the trust's expenses and liabilities on any day from the value of the silver owned by the trust on that day; the net asset value per iShare, or NAV, is obtained by dividing the net asset value of the trust on a given day by the number of iShares outstanding on that date. On each day on which NYSE Arca is open for regular trading, the trustee determines the NAV as promptly as practicable after 4:00 p.m. (New York time). The trustee values the trust's silver on the basis of that day's announced London Fix. If there is no London Fix on that day, the trustee is authorized to use the most recently announced London Fix unless the trustee, in consultation with the sponsor, determines that such price is inappropriate as a basis for evaluation. See Business of the Trust Valuation of Silver; Computation of Net Asset Value.
Trust expenses	The trust's only ordinary recurring expense is expected to be the remuneration due to the sponsor (the sponsor's fee). In exchange for the sponsor's fee, the sponsor has agreed to assume the following administrative and marketing expenses of 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 also paid the costs of the trust's organization and the initial sale of the iShares, including the applicable SEC registration fees.

Table of Contents

The sponsor's fee is accrued daily and paid monthly in arrears at an annualized rate equal to 0.50% of the adjusted net asset value of the trust. The trustee will from time to time sell silver in such quantity as may be necessary to permit payment of the sponsor's fee and of trust expenses and 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 may vary from time to time depending on the level of the trust's expenses and liabilities and the market price of silver. See Business of the Trust Trust Expenses and Description of the iShares and the Trust Agreement Trust Expenses and Silver Sales.

Tax Considerations

Owners of iShares are treated, for U.S. federal income tax purposes, as if they owned a corresponding share of the assets of the trust. They are also viewed as if they directly received a corresponding share of any income of the trust, or as if they had incurred a corresponding share of the expenses of the trust. Consequently, each sale of silver by the trust constitutes a taxable event to Shareholders. See United States Federal Tax Consequences Taxation of U.S. Shareholders and ERISA and Related Considerations.

Voting Rights

Owners of iShares do not have any voting rights. See Description of the iShares and the Trust Agreement Voting Rights.

Suspension of Issuance, Transfers and Redemptions

The trustee may suspend the delivery or registration of transfers of iShares, or may refuse a particular deposit or transfer at any time, if the trustee or the sponsor think it advisable for any reason. Redemptions may be suspended only (i) during any period in which regular trading on NYSE Arca is suspended or restricted, or the exchange is closed, or (ii) during an emergency as a result of which delivery, disposal or evaluation of silver is not reasonably practicable. See Description of the iShares and the Trust Agreement Requirements for Trustee Actions.

Limitation on Liability

The sponsor and the trustee:

are only obligated to take the actions specifically set forth in the Trust Agreement without negligence or bad faith;

are not liable for the exercise of discretion permitted under the Trust Agreement; and

have no obligation to prosecute any lawsuit or other proceeding on behalf of the Shareholders or any other person.

See Description of the iShares and the Trust Agreement Limitations on Obligations and Liability.

Termination events

The trustee will terminate the Trust Agreement if:

the trustee is notified that the iShares are delisted from NYSE Arca and are not approved for listing on another national securities exchange within five business days of their delisting;

holders of at least 75% of the outstanding iShares notify the trustee that they elect to terminate the trust;

Table of Contents

60 days have elapsed since the trustee notified the sponsor of the trustee's election to resign and a successor trustee has not been appointed and accepted its appointment;

the SEC determines that the trust is an investment company under the Investment Company Act of 1940, as amended, and the trustee has actual knowledge of that determination;

the aggregate market capitalization of the trust, based on the closing price for the iShares, was less than \$350 million for five consecutive trading days and the trustee receives, within six months from the last of those trading days, notice that the sponsor has decided to terminate the trust;

the CFTC determines that the trust is a commodity pool under the Commodity Exchange Act and the trustee has actual knowledge of that determination; or

the trust fails to qualify for treatment, or ceases to be treated, as a grantor trust for United States federal income tax purposes and the trustee receives notice that the sponsor has determined that the termination of the trust is advisable.

If not terminated earlier by the trustee, the trust will terminate in 2046, on the fortieth anniversary of its creation. See Description of the iShares and the Trust Agreement Amendment and Termination. After termination of the trust, the trustee will deliver trust property upon surrender and cancellation of iShares and, ninety days after termination, may sell any remaining trust property in a private or public sale, and hold the proceeds, uninvested and in a non-interest bearing account, for the benefit of the holders who have not surrendered their iShares for cancellation. See Description of the iShares and the Trust Agreement Amendment and Termination.

Authorized Participants

Baskets may be created or redeemed only by Authorized Participants. Each Authorized Participant must be a registered broker-dealer, a participant in DTC, have entered into an agreement with the trustee (the Authorized Participant Agreement) and be in a position to transfer silver to, and take delivery of silver from, the custodian through one or more silver accounts. The Authorized Participant Agreement provides the procedures for the creation and redemption of Baskets and for the delivery of silver in connection with such creations or redemptions. A list of the current Authorized Participants can be obtained from the trustee or the sponsor.

Clearance and settlement

The iShares are issued in book-entry form only. Transactions in iShares clear through the facilities of DTC. Investors may hold their iShares through DTC, if they are participants in DTC, or indirectly through entities that are participants in DTC.

SUMMARY FINANCIAL CONDITION

As of the close of business on November 28, 2008, the net asset value of the trust was \$2,174,830,677 and the NAV was \$9.99.

Table of Contents

RISK FACTORS

Before making an investment decision, you should consider carefully the risks described below, as well as the other information included in this prospectus.

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

iShares 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 iShares 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 iShares will change widely and in an unpredictable manner. This exposes your investment in iShares to potential losses if you need to sell your iShares at a time when the price of silver is lower than it was when you made your investment in iShares. Even if you are able to hold iShares 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 iShares, several factors may have the effect of causing a decline in the prices of silver and a corresponding decline in the price of iShares. 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 iShares.

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 iShares.

A significant increase in silver price hedging activity by silver producers. Traditionally, silver producers have not hedged to the same extent as other producers of precious metals (gold, for example) do. 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 iShares.

Conversely, several factors may trigger a temporary increase in the price of silver prior to your investment in the iShares. If that is the case, you will be buying iShares at prices affected by the temporarily high prices of silver, and you may incur losses when the causes for the temporary increase disappear. Paradoxically, one of the causes for a temporary increase of this type would be a very enthusiastic reception of the iShares by the market. If a rush to acquire iShares results in large purchases of silver to be deposited in the trust, the price of silver may see an increase that will subside after the initial rush comes to an end.

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

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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.

Table of Contents

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) which 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 daily fee. The result of these sales is a decrease in the amount of silver represented by each iShare. New deposits of silver, received in exchange for new iShares issued by the trust, do not reverse this trend.

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

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 iShare and a corresponding decrease in its value.

The trust is a passive investment vehicle. This means that the value of your iShares 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 iShares.

The price received upon the sale of iShares 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 iShares outstanding on that date, results in the net asset value per iShare, or NAV.

iShares may trade at, above or below their NAV. The NAV of iShares will fluctuate with changes in the market value of the trust's assets. The trading prices of iShares 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 per iShare may be influenced by non-concurrent trading hours between the major silver markets and NYSE Arca. While the iShares 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. As a result, during this time, trading spreads, and the resulting premium or discount on iShares, may widen.

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 iShares.

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The trust will have limited duration. If certain events occur, at any time, the trustee will have to terminate the trust. Otherwise, the trust will terminate automatically after forty years. See [Description of the iShares and the Trust Agreement Amendment and Termination](#) for more information about the termination of the trust, including when events outside the control of the sponsor, the trustee or the Shareholders may prompt the trust's termination.

Table of Contents

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 iShares. 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 iShares. 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 iShares.

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 iShares 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 iShares, and the price of silver decreases before such Authorized Participant is able again to surrender for redemption Baskets of iShares, 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 iShares, had the redemption taken place when such Authorized Participant originally intended it to occur. As a consequence, Authorized Participants may reduce their trading in iShares during periods of suspension, decreasing the number of potential buyers of iShares in the secondary market and, therefore, the price a shareholder may receive upon sale.

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

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

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

Holders of 75% of the iShares 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 iShares may result in losses on your investment at the time of disposition of your iShares.

Although iShares are listed for trading on NYSE Arca, you should not assume that an active trading market for the iShares will develop or be maintained. If you need to sell your iShares 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 iShares (assuming you are able to sell them).

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If the process of creation and redemption of Baskets of iShares 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 iShares closely linked to the price of silver, may not exist and, as a result, the price of the iShares may fall or otherwise diverge from NAV.

If the processes of creation and redemption of iShares (which depend on timely transfers of silver to and by the custodian) encounter any unanticipated difficulties, potential market participants, such as the Authorized

Table of Contents

Participants and their customers, who would otherwise be willing to purchase or redeem Baskets of iShares to take advantage of any arbitrage opportunity arising from discrepancies between the price of the iShares 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 iShares may decline and the price of the iShares may fluctuate independently of the price of silver and may fall. 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 of iShares, the iShares price may diverge from the value of physical silver and may fall.

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

iShares are not entitled to the same rights as shares issued by a corporation. By acquiring iShares, you are not acquiring the right to elect directors, to receive dividends, to vote on certain matters regarding the issuer of your iShares or to tak