



Investors Exchange Product Information Circular 2016 - 0915

Date: September 2, 2016

Re: iShares Silver Trust

Investors Exchange LLC commenced operating as a national securities exchange on August 19, 2016 followed by a two-week security-by-security phase-in period. This Information Circular is being issued to advise you that the following security has been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchange as UTP Derivative Securities pursuant to IEX Rule 16.160, and will begin trading on IEX during the phase-in period. See [the Exchange’s Website](#) for the phase-in schedule.

Exchange Traded Fund

Symbol

iShares Silver Trust

SLV

Background Information on the Funds

As more fully explained in the Registration Statement (No. 333-125920) for the iShares Silver Trust (“Trust”), the Trust is designed to own silver transferred to it in exchange for issued shares (“iShares” or “Shares”). Each iShare represents a fractional undivided beneficial interest in the net assets of the Trust. The assets of the Trust will consist primarily of silver held by the custodian on behalf of the Trust.

The objective of the Trust is for the value of the iShares to reflect the price of silver less the Trust’s expenses and liabilities. The Trust is not registered as an investment company 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.

Barclays Global Investors International Inc. is the sponsor of the Trust (“Sponsor”), The Bank of New York is the trustee of the trust (“Trustee”), and JP Morgan Chase Bank, N.A., London Branch is the custodian of the Trust (“Custodian”).

As described more fully in the prospectus and the registration statement for the Trust, the Trust intends to issue additional iShares on a continuous basis. The Trust will issue and redeem iShares only in blocks of 50,000 or integral multiples thereof. A block of 50,000 iShares is called a “Basket”. These transactions will be in exchange for silver. The basket amount of silver, as measured in troy ounces, exchangeable for a Basket of iShares (the “Basket Silver Amount”) will be determined on each business day by the Trustee. Initially, the Basket Silver Amount will be 500,000 ounces of silver. The Basket Silver Amount will



decrease over the life of the Trust due to the payment or accrual of fees and other expenses payable by the Trust. Only registered broker-dealers that become authorized participants (“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, among other things, the price of silver and the trading price of the iShares on the American Stock Exchange (“Amex”) at the time of the offer. Market prices for the iShares may be different from the net asset value per iShare. Except when aggregated in Baskets, iShares are not redeemable securities.

Other Information

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 (“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 the Amex is open for regular trading, as promptly as practicable after 4:00 p.m. Eastern time (“ET”), the Trustee will determine the NAV. The Trustee will value the trust’s silver on the basis of that day’s announced London silver fix price. At or about 4:00 p.m. ET each business day, the Trustee will determine the Basket Silver Amount for orders placed by Authorized Participants received before 4:00 p.m. ET that day. The Trustee will also at the same time determine an “Indicative Basket Silver Amount” that Authorized Participants can use as an indicative amount of silver to be deposited for issuance of the Silver Shares on the next business day. The Basket Silver Amount, the Indicative Basket Silver Amount, and the NAV are communicated by the Trustee to all Authorized Participants via facsimile or electronic mail message and will be available on the Trust’s website at www.ishares.com. The Trust’s expense ratio, in the absence of any extraordinary expenses and liabilities, is established at 0.50% of the net assets of the Trust. As a result, in the absence of any extraordinary expenses and liabilities, the amount of silver by which the Basket Silver Amount will decrease each day will be predictable (i.e. $1/365$ th of the net asset value of the Trust multiplied by 0.50%).

The Depository Trust Company (“DTC”) serves as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding shares of the Trust.

Indicative Trust Value

In order to provide updated information relating to the Trust for use by investors, professionals and persons wishing to create or redeem Shares, the Exchange will disseminate through the facilities of CTA an updated Indicative Trust Value (the “Indicative Trust Value”). The Indicative Trust Value will be disseminated on a per Share basis every 15 seconds during regular Amex trading hours of 9:30 a.m. to 4:15 p.m. ET under the index symbol “SBV”. The Indicative Trust Value will be calculated based on the amount of silver required for creations and redemptions and a price of silver derived from the midpoint of updated bids and offers indicative of the dealer price of silver. It should be noted, however, that the performance of the Trust may not track the performance of silver exactly. Thus, at any give time or from time to time, the Indicative Trust Value may differ from the Trust’s NAV. In addition, the Indicative Trust



Value on a per Silver Share basis disseminated during Amex trading hours should not be viewed as a real time update of the NAV, which is calculated only once a day by the Trustee.

Continuous Offering

The method by which Basket aggregations of shares are created and traded may raise certain issues under applicable securities laws. Because new shares may be issued by the Trust on an ongoing basis, at any point a distribution may occur. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery requirement and liability provisions of the Securities Act of 1933 (“Securities Act”).

For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it purchases Basket aggregations, breaks them down into constituent shares, and sells such shares directly to customers, or if it chooses to couple the creation of a supply of new shares with an active selling effort involving solicitation of secondary market demand for shares. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a categorization as an underwriter.

Dealers who are not “underwriters,” but are participating in a distribution (as opposed to engaging in ordinary secondary-market transactions), and thus dealing with Trust shares as part of an “unsold allotment” within the meaning of Section 4(3)(C) of the Securities Act, will be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the Securities Act. Firms that incur a prospectus-delivery obligation with respect to shares are reminded that, under Securities Act Rule 153, a prospectus delivery obligation under Section 5(b)(2) of the Securities Act owed to an exchange member in connection with a sale on Exchange is satisfied by the fact that the prospectus is available at the Exchange upon request. The prospectus delivery mechanism provided in Rule 153 is only available with respect to transactions on an exchange.

Creation and Redemption of Shares

The Trust will issue and redeem iShares on a continuous basis only in Baskets of 50,000 shares or multiples thereof, by or through participants that have entered into participant agreements (each, an Authorized Participant) with the Sponsor and the Trustee. Basket aggregations will be issued in exchange for the corresponding Basket Silver Amount that will be determined on each business day by the Trustee. The Basket Silver Amount necessary for the creation of a Basket will change from day to day. The initial Basket Silver Amount is 500,000 ounces of silver. On each day that the Amex is open for regular trading, the Trustee will adjust 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. These items are described in the Trust’s prospectus and registration statement.



Authorized Participants that wish to purchase a Basket must transfer the Basket Silver Amount to the Trust in exchange for a Basket. Authorized Participants that wish to redeem a Basket will receive the Basket Silver Amount in exchange for each Basket surrendered. 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 Silver and Silver Bars” published by the London Bullion Market Association. No iShares will be 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 430 ounces may be held in the trust account on an unallocated basis). Unless otherwise agreed to by the Custodian, silver will be delivered to the redeeming Authorized Participants in the form of physical bars only.

Given the predictability of the daily decline in the Basket Silver Amount, the Trustee will provide an Indicative Basket Silver Amount for the next business day. Authorized Participants may use the Indicative Basket Silver Amount as guidance regarding the amount of silver expected to deposit with the Custodian. Before 4:00 p.m., the Authorized Participants may use the Indicative Basket Silver Amount as guidance in respect of the amount of silver that they may expect to be required to deposit in connection with the issuance of iShares on such next business day. But if the Indicative Basket Silver Amount published by Barclays and Trustee turns out to be incorrect the amount actually determined by Trustee will control.

The Trust’s prospectus and registration statement describe additional procedures and requirements that apply to creation and redemptions of Shares. Members of BATS (“Members”) interested in becoming an Authorized Participant, or obtaining a list of Authorized Participants, can contact the Sponsor at (415) 402-4622, (415) 402-4619, or (415) 402-4649 for more information.

Information About Underlying Silver

There is a considerable amount of silver price and silver market information available on public Web sites and through professional and subscription services. In most instances, real-time information is only available for a fee, and information available free of charge is subject to delay (typically 20 minutes). Investors may obtain on a 24-hour basis silver pricing information based on the spot price for a troy ounce of silver from various financial information service providers, such as Reuters and Bloomberg. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on silver prices directly from market participants. In addition, an organization named EBS provides an electronic trading platform to institutions such as bullion banks and dealers for the trading of spot silver, as well as a feed of live streaming prices to Reuters and Moneyline Teleratesubscribers.

Complete real-time data for silver futures and options prices traded on the COMEX is available by subscription from Reuters and Bloomberg. The closing price and settlement prices of the COMEX silver futures contracts are publicly available from the NYMEX at <http://www.nymex.com>, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. The NYMEX also provides delayed futures and options information on current and past trading sessions and market news free of charge on its Web site.



Investment Risk

Members are referred to the Trust's prospectus for a description of risks associated with an investment in shares of the Trust. Because the iShares are created to reflect the price of the silver held by the Trust, these risks include the risk that market price of iShares will be subject to fluctuations similar to those affecting silver prices. 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. To retain the iShare's original price, the price of silver will have to increase. Without that increase, the lower amount of silver represented by the iShare will have a correspondingly lower price. The value of the iShares 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. Owners of Shares will not have the protections normally associated with ownership of shares in an investment company registered under the Investment Company Act of 1940, or the protections afforded by the Commodity Exchange Act of 1936. The Trust will have limited duration. If certain events occur, at any time, the Trustee will be requested to terminate the Trust, otherwise the Trust will terminate automatically after forty years. In addition, as noted in the prospectus, iShares trade at market prices that may differ from 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 BATS. While the iShares will trade on the Amex until 4:15 P.M. ET, liquidity in the market for silver will be reduced after the close of the major world silver markets, including London, Zurich and COMEX (which usually closes at 1:30 P.M. ET time). The OTC market for Silver trades on a 24-hour continuous basis and accounts for the substantial portion of global silver trading. The OTC market has no formal structure and no open-outcry meeting place. There is no direct regulation of the global OTC market in silver and no SEC jurisdiction over trading of silver as a physical commodity.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on IEX is subject to IEX trading rules.

Trading Hours

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during the Regular Trading Session.

The Shares will trade on IEX between 8:00 a.m. and 5:00 p.m. Please note that trading in the Shares during the Exchange's Pre-Market and Post-Market Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated



during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

Suitability

Trading in the securities on the Exchange will be subject to the provisions of Exchange Rule 3.170. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Trading Halts

The Exchange will halt trading in the Shares of a security in accordance with Exchange Rules. The grounds for a halt include a halt because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, a halt for other regulatory reasons or due to other conditions or circumstances deemed to be detrimental to the maintenance of a free and orderly market.

Delivery of a Prospectus

Exchange Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund. Prospectuses may be obtained through the Fund's website. The Prospectus for the Fund does not contain all of the information set forth in the Funds Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to its Registration Statement.

In the event that the Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future make available a written product description, Exchange Rules require that Exchange Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Issuer of the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, Exchange Members shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by an IEX member to customers or the public making specific reference to the Shares as an investment



vehicle must include a statement in substantially the following form: “A circular describing the terms and characteristics of [the UTP Derivative Securities] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [the UTP Derivative Securities].”

An Exchange member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to such Exchange member under this rule.

Upon request of a customer, Exchange Members also shall provide a copy of the Prospectus.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission (the “SEC”) has issued letters granting exemptive, interpretive and no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 for exchange- traded securities listed and traded on a registered national securities exchange that meet certain criteria.

AS WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTERS REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any “distribution participant” and its “affiliated purchasers” from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of Shares of the above-mentioned Fund to engage in secondary market transactions in such Shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of Shares of



the above-mentioned Fund (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund Shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund Shares to the Fund for redemption does not constitute a bid for or purchase of any of the Funds' securities during the restricted period of Rule 101. The SEC has also granted an exemption pursuant to paragraph (e) of Rule 102 under Regulation M to allow the redemption of Fund Shares in Creation Unit Aggregations during the continuous offering of Shares.

Section 11(d)(1); Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The SEC has clarified that Section 11(d)(1) does not apply to broker-dealers that are not Authorized Participants (and, therefore, do not create Creation Unit Aggregations) that engage in both proprietary and customer transactions in Shares of a Fund in the secondary market, and for broker-dealer Authorized Participants that engage in creations of Creation Unit Aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an Authorized Participant) does not, directly or indirectly, receive from the Fund complex any payment, compensation or other economic incentive to promote or sell the Shares of a Fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(l)(5)(A), (B) or (C). (See letter from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.) The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Shares of a Fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on Shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

This Information Circular is not a statutory prospectus. Members should consult the Prospectus for a security and the security's website for relevant information.

Please contact IEX Regulation at 646-343-xxxx with any inquiries regarding this Information Circular.