iShares Silver Trust
Form 10-Q
November 06, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 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)(Zip Code)

(415) 670-2000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 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 Exchange Act). Yes

No

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

iShares Silver Trust
Statements of Assets and Liabilities (Unaudited)
At September 30, 2018 and December 31, 2017

	September 30, 2018	December 31, 2017
Assets		
Investment in silver bullion, at fair value(a)	$*4,764,234,916*	$*5,407,419,250*
Total Assets	*4,764,234,916*	*5,407,419,250*
Liabilities		
Sponsor's fees payable	*1,960,217*	*2,225,399*
Total Liabilities	*1,960,217*	*2,225,399*
Commitments and contingent liabilities (Note 6)	—	—
Net Assets	$*4,762,274,699*	$*5,405,193,851*
Shares issued and outstanding(b)	*354,250,000*	*339,750,000*
Net asset value per Share (Note 2C)	$*13.44*	$*15.91*

(a) Cost of investment in silver bullion: $5,939,485,807 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 (Unaudited)

For the three and nine months ended September 30, 2018 and 2017

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	**2017**	**2018**	**2017**
Expenses				
Sponsor's fees	$*6,235,371*	$*7,129,498*	$*19,371,652*	$*21,523,569*
Total expenses	*6,235,371*	*7,129,498*	*19,371,652*	*21,523,569*
Net investment loss	*(6,235,371)*	*(7,129,498)*	*(19,371,652)*	*(21,523,569)*
Net Realized and Unrealized Gain (Loss)				
Net realized gain (loss) from:				
Silver bullion sold to pay expenses	*(1,160,169)*	*(596,586)*	*(2,354,874)*	*(1,537,774)*
Silver bullion distributed for the redemption of Shares	*(24,507,624)*	*(32,222,429)*	*(65,805,501)*	*(59,391,929)*
Net realized loss	*(25,667,793)*	*(32,819,015)*	*(68,160,375)*	*(60,929,703)*
Net change in unrealized appreciation/depreciation	*(538,368,056)*	*178,415,473*	*(750,921,945)*	*298,932,277*
Net realized and unrealized gain (loss)	*(564,035,849)*	*145,596,458*	*(819,082,320)*	*238,002,574*
Net increase (decrease) in net assets resulting from operations	$*(570,271,220)*	$*138,466,960*	$*(838,453,972)*	$*216,479,005*
Net increase (decrease) in net assets per Share(a)	$*(1.63)*	$*0.39*	$*(2.45)*	$*0.61*

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

See notes to financial statements.

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iShares Silver Trust

Statements of Changes in Net Assets (Unaudited)

For the nine months ended September 30, 2018 and the year ended December 31, 2017

	Nine Months Ended September 30, 2018	Year Ended December 31, 2017
Net Assets, Beginning of Period	$*5,405,193,851*	$*5,541,130,643*
Operations:		
Net investment loss	*(19,371,652)*	*(28,299,587)*
Net realized loss	*(68,160,375)*	*(92,120,817)*
Net change in unrealized appreciation/depreciation	*(750,921,945)*	*337,891,452*
Net increase (decrease) in net assets resulting from operations	*(838,453,972)*	*217,471,048*
Capital Share Transactions:		
Contributions for Shares issued	*880,252,487*	*873,170,446*
Distributions for Shares redeemed	*(684,717,667)*	*(1,226,578,286)*
Net increase (decrease) in net assets from capital share transactions	*195,534,820*	*(353,407,840)*
Decrease in net assets	*(642,919,152)*	*(135,936,792)*
Net Assets, End of Period	$*4,762,274,699*	$*5,405,193,851*
Shares issued and redeemed		
Shares issued	*58,600,000*	*55,800,000*
Shares redeemed	*(44,100,000)*	*(75,950,000)*
Net increase (decrease) in Shares issued and outstanding	*14,500,000*	*(20,150,000)*

See notes to financial statements.

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iShares Silver Trust

Statements of Cash Flows (Unaudited)

For the nine months ended September 30, 2018 and 2017

	Nine Months Ended September 30,	
	2018	**2017**
Cash Flows from Operating Activities		
Proceeds from silver bullion sold to pay expenses	$*19,636,834*	$*21,537,444*
Expenses – Sponsor's fees paid	*(19,636,834)*	*(21,537,444)*
Net cash provided by operating activities	—	—
Increase (decrease) in cash	—	—
Cash, beginning of period	—	—
Cash, end of period	$—	$—
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	$*(838,453,972)*	$*216,479,005*
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	*19,636,834*	*21,537,444*
Net realized (gain) loss	*68,160,375*	*60,929,703*
Net change in unrealized appreciation/depreciation	*750,921,945*	*(298,932,277)*
Change in operating assets and liabilities:		
Sponsor's fees payable	*(265,182)*	*(13,875)*
Net cash provided by (used in) operating activities	$—	$—
Supplemental disclosure of non-cash information:		
Silver bullion contributed for Shares issued	$*880,252,487*	$*649,149,108*
Silver bullion distributed for Shares redeemed	$*(684,717,667)*	$*(899,979,662)*

See notes to financial statements.

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iShares
Silver Trust
Schedules of
Investments
(Unaudited)
At *September 30, 2018* and *December 31, 2017*

September 30, 2018

Description	Ounces	Cost	Fair Value
Silver bullion	*333,046,831*	$*5,939,485,807*	$*4,764,234,916*
Total Investment – 100.04%			*4,764,234,916*
Less Liabilities – (0.04)%			*(1,960,217)*
Net Assets – 100.00%			$*4,762,274,699*

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 (Unaudited)

September 30, 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 accompanying unaudited financial statements were prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for interim financial information and with the instructions for Form *10*-Q and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). In the opinion of management, all material adjustments, consisting only of normal recurring adjustments considered necessary for a fair statement of the interim period financial statements, have been made. Interim period results are *not* necessarily indicative of results for a full-year period. These financial statements and the notes thereto should be read in conjunction with the Trust's financial statements included in its Annual Report on Form *10 K* for the year ended *December 31, 2017,* as filed with the SEC on *February 28, 2018.*

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 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.

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 the price per ounce of silver determined in an electronic auction hosted by ICE Benchmark Administration ("IBA") that begins at *12:00* p.m. (London time) and published shortly thereafter on each day that the London silver market is open for business (such price, the "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. 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.

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The following tables summarize activity in silver bullion for the *three* months ended *September 30, 2018* and *2017:*

Three Months Ended September 30, 2018	**Ounces**	**Cost**	**Fair Value**	**Realized Gain (Loss)**
Beginning balance	*322,465,714*	$*5,806,008,238*	$*5,169,125,403*	$—
Silver bullion contributed	*19,467,176*	*292,541,629*	*292,541,629*	—
Silver bullion distributed	*(8,462,245)*	*(151,456,941)*	*(126,949,317)*	*(24,507,624)*
Silver bullion sold to pay expenses	*(423,814)*	*(7,607,119)*	*(6,446,950)*	*(1,160,169)*
Net realized loss	—	—	*(25,667,793)*	—
Net change in unrealized appreciation/depreciation	—	—	*(538,368,056)*	—
Ending balance	*333,046,831*	$*5,939,485,807*	$*4,764,234,916*	$*(25,667,793)*

Three Months Ended September 30, 2017	**Ounces**	**Cost**	**Fair Value**	**Realized Gain (Loss)**
Beginning balance	*339,605,211*	$*6,235,001,418*	$*5,593,297,824*	$—
Silver bullion contributed	*11,392,577*	*180,668,658*	*180,668,658*	—
Silver bullion distributed	*(23,817,516)*	*(435,509,224)*	*(403,286,795)*	*(32,222,429)*
Silver bullion sold to pay expenses	*(422,857)*	*(7,742,714)*	*(7,146,128)*	*(596,586)*
Net realized loss	—	—	*(32,819,015)*	—
Net change in unrealized appreciation/depreciation	—	—	*178,415,473*	—
Ending balance	*326,757,415*	$*5,972,418,138*	$*5,509,130,017*	$*(32,819,015)*

The following tables summarize activity in silver bullion for the *nine* months ended *September 30, 2018* and *2017:*

Nine Months Ended September 30, 2018	**Ounces**	**Cost**	**Fair Value**	**Realized Gain (Loss)**
Beginning balance	*320,629,662*	$*5,831,748,196*	$*5,407,419,250*	$—
Silver bullion contributed	*55,163,280*	*880,252,487*	*880,252,487*	—
Silver bullion distributed	*(41,529,029)*	*(750,523,168)*	*(684,717,667)*	*(65,805,501)*
Silver bullion sold to pay expenses	*(1,217,082)*	*(21,991,708)*	*(19,636,834)*	*(2,354,874)*
Net realized loss	—	—	*(68,160,375)*	—
Net change in unrealized appreciation/depreciation	—	—	*(750,921,945)*	—
Ending balance	*333,046,831*	$*5,939,485,807*	$*4,764,234,916*	$*(68,160,375)*

Nine Months Ended September 30, 2017	**Ounces**	**Cost**	**Fair Value**	**Realized Gain (Loss)**
Beginning balance	*341,348,242*	$*6,305,715,839*	$*5,543,495,441*	$—
Silver bullion contributed	*38,888,176*	*649,149,108*	*649,149,108*	—
Silver bullion distributed	*(52,224,977)*	*(959,371,591)*	*(899,979,662)*	*(59,391,929)*
Silver bullion sold to pay expenses	*(1,254,026)*	*(23,075,218)*	*(21,537,444)*	*(1,537,774)*
Net realized loss	—	—	*(60,929,703)*	—

Net change in unrealized appreciation/depreciation	—	—	*298,932,277*	—
Ending balance	*326,757,415*	$*5,972,418,138*	$*5,509,130,017*	$*(60,929,703)*

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.

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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.

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 *September 30, 2018* and does *not* believe that there are any uncertain tax positions that require recognition of a tax liability.

***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.

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***8* - Financial Highlights**

The following financial highlights relate to investment performance and operations for a Share outstanding for the *three* and *nine* months ended *September 30, 2018* and *2017.*

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2018	**2017**	**2018**	**2017**
Net asset value per Share, beginning of period	$*15.08*	$*15.58*	$*15.91*	$*15.40*
Net investment loss(a)	*(0.02)*	*(0.02)*	*(0.06)*	*(0.06)*
Net realized and unrealized gain (loss)(b)	*(1.62)*	*0.36*	*(2.41)*	*0.58*
Net increase (decrease) in net assets from operations	*(1.64)*	*0.34*	*(2.47)*	*0.52*
Net asset value per Share, end of period	$*13.44*	$*15.92*	$*13.44*	$*15.92*
Total return, at net asset value(c)(d)	*(10.88%)*	*2.18 %*	*(15.52%)*	*3.38 %*
Ratio to average net assets:				
Net investment loss(e)	*(0.50 %)*	*(0.50 %)*	*(0.50 %)*	*(0.50 %)*
Expenses(e)	*0.50 %*	*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.

(d) Percentage is *not* annualized.

(e) Percentage is annualized.

***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 *September 30, 2018* and *December 31, 2017,* the value of the silver bullion held by the Trust is categorized as Level *1*.

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Item 2. 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 in Item 1 of Part I of this Form 10-Q. 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. Except as required by applicable disclosure laws, neither the Sponsor, nor any other person assumes responsibility for the accuracy or completeness of any 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.

Introduction

The iShares Silver Trust (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 Bank of New York Mellon (the "Trustee") acting as trustee pursuant to the Second Amended and Restated Depositary Trust Agreement (the "Trust Agreement") between the Trustee and iShares Delaware Trust Sponsor LLC, the sponsor of the Trust (the "Sponsor"). The Trust issues units of beneficial interest ("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 aggregations of 50,000 Shares (a "Basket") or integral multiples thereof, and only in transactions with registered broker-dealers that have previously entered into an agreement with the Sponsor and the Trustee governing the terms and conditions of such issuance (such broker-dealers, the "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, Inc. under the ticker symbol SLV.

Valuation of Silver Bullion; 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 and net asset value per Share ("NAV") of the Trust. The Trustee values the silver held by the Trust using the price per ounce of silver determined in an electronic auction hosted by ICE Benchmark Administration ("IBA") that begins at 12:00 p.m. (London time) and published shortly thereafter, on the day the valuation takes place (such price, the "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. 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 held by 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. 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. 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, is provided in the section entitled "Valuation of Silver Bullion Computation of Net Asset Value" above. 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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Results of Operations

The Quarter Ended September 30, 2018

The Trust's net asset value fell from $5,166,953,607 at June 30, 2018 to $4,762,274,699 at September 30, 2018, a 7.83% decrease. The decrease in the Trust's net asset value resulted primarily from a decrease in the LBMA Silver Price, which fell 10.73% from $16.03 at June 30, 2018 to $14.31 at September 30, 2018. The decrease in the Trust's net asset value was partially offset by an increase in the number of outstanding Shares, which rose from 342,550,000 Shares at June 30, 2018 to 354,250,000 Shares at September 30, 2018, a consequence of 20,700,000 Shares (414 Baskets) being created and 9,000,000 Shares (180 Baskets) being redeemed during the quarter.

The 10.88% decline in the Trust's NAV from $15.08 at June 30, 2018 to $13.44 at September 30, 2018 is directly related to the 10.73% 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 $6,235,371 for the quarter, or 0.13% of the Trust's average weighted assets of $4,943,209,120 during the quarter. The NAV of $15.25 on July 9, 2018 was the highest during the quarter, compared with a low during the quarter of $13.28 on September 11, 2018.

Net decrease in net assets resulting from operations for the quarter was $570,271,220, resulting from an unrealized loss on investment in silver bullion of $538,368,056, a net investment loss of $6,235,371, a net realized loss of $1,160,169 from silver bullion sold to pay expenses and a net realized loss of $24,507,624 on silver bullion distributed for the redemption of Shares. Other than the Sponsor's fees of $6,235,371, the Trust had no expenses during the quarter.

The Nine-Month Period Ended September 30, 2018

The Trust's net asset value fell from $5,405,193,851 at December 31, 2017 to $4,762,274,699 at September 30, 2018, an 11.89% decrease. The decrease in the Trust's net asset value resulted primarily from a decrease in the LBMA Silver Price, which fell 15.17% from $16.87 at December 31, 2017 to $14.31 at September 30, 2018. The decrease in the Trust's net asset value was partially offset by an increase in the number of outstanding Shares, which rose from 339,750,000 Shares at December 31, 2017 to 354,250,000 Shares at September 30, 2018, a consequence of 58,600,000 Shares (1,172 Baskets) being created and 44,100,000 Shares (882 Baskets) being redeemed during the period.

The 15.52% decline in the Trust's NAV from $15.91 at December 31, 2017 to $13.44 at September 30, 2018 is directly related to the 15.17% 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 $19,371,652 for the period, or 0.37% of the Trust's average weighted assets of $5,177,571,334 during the period. The NAV of $16.52 on January 25, 2018 was the highest during the period, compared with a low during the period of $13.28 on September 11, 2018.

Net decrease in net assets resulting from operations for the period was $838,453,972, resulting from an unrealized loss on investment in silver bullion of $750,921,945, a net investment loss of $19,371,652, a net realized loss of $2,354,874 from silver bullion sold to pay expenses and a net realized loss of $65,805,501 on silver bullion distributed for the redemption of Shares. Other than the Sponsor's fees of $19,371,652, the Trust had no expenses during the period.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. 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, 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 Securities Exchange Act of 1934, as amended, 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.

There were no changes in the Trust's internal control over financial reporting that occurred during 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.

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PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes to the Risk Factors last reported under Part I, Item 1A of the registrant's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission on February 28, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

a) None.

b) Not applicable.

c) 9,000,000 Shares (180 Baskets) were redeemed during the quarter ended September 30, 2018.

Period	Total Number of Shares Redeemed	Average Ounces of Silver Paid Per

		Share
07/01/18 to 07/31/18	1,850,000	$0.9407
08/01/18 to 08/31/18	3,300,000	0.9405
09/01/18 to 09/30/18	3,850,000	0.9398
Total	9,000,000	$0.9402

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

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
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

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SIGNATURES

Pursuant to the requirements 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: November 6, 2018

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

Date: November 6, 2018

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