

iShares Silver Trust  
Form FWP  
July 11, 2008

Free Writing Prospectus

Dated July 11, 2008

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## FREQUENTLY ASKED QUESTIONS ABOUT iSHARES® SILVER TRUST SHARE SPLITS

### >> General information behind the

#### iShares Silver Trust share split

The iShares Silver Trust (the "Trust") share split is intended to cause the share price of the Trust to be lowered in inverse proportion to the split ratio. A lower share price may allow certain investors easier access to the Trust for a smaller initial investment.

Most of the securities included in the S&P 500 have prices between \$10 and \$75. The split is intended to cause the iShares Silver Trust share price to be closer to the average price of publicly-traded U.S. securities, which is approximately \$49.21 per share<sup>1</sup>.

While the share split is expected to increase share volume, we believe the better measure of secondary market liquidity is dollar-traded volume. Similarly, we believe the better measure for comparing the bid-offer spreads of similar securities trading at different prices is basis points rather than cents per share. Neither dollar-traded volume nor spreads are expected to change materially as a result of the split.

#### HOW DOES THE SHARE SPLIT AFFECT MY INVESTMENT(S)?

The share split will not change the economic value (the number of shares multiplied by the price per share) of the shares of the Trust owned by you. You will own more shares, but each share should be worth a lower price; therefore, the total value of your investment in a fund will not change as a result of the share split.

*Example: 10-for-1 Split*

|           | NUMBER OF    | HYPOTHETICAL MARKET | TOTAL    |
|-----------|--------------|---------------------|----------|
|           | SHARES OWNED | PRICE/SHARE         | VALUE    |
| Pre-split | 100          | \$120               | \$12,000 |

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|            |       |      |          |
|------------|-------|------|----------|
| Post split | 1,000 | \$12 | \$12,000 |
|------------|-------|------|----------|

### **HOW WILL THE SHARE SPLIT AFFECT HISTORICAL PERFORMANCE?**

Generally, the share split will not have an effect on historical performance; all historical data will be adjusted to account for the split. Rounding adjustments may lead to small differences in return calculations, however there should be no effect on actual performance.

### **HOW DOES THE SHARE SPLIT AFFECT MY COST BASIS?**

There is no change to your aggregate cost basis.

### **HOW WILL THIS AFFECT MY LIMIT AND/OR GTC ORDERS?**

Generally, limit and GTC orders are canceled and need to be re-entered and replaced with a new (post-split) price. Please consult your broker.

### **WILL THERE BE A NEW TICKER OR CUSIP NUMBER ASSOCIATED WITH THE SPLIT?**

No, the ticker and CUSIP number will remain the same.

1. Source: BGI, as represented by the S&P 500 Index, as of 5/29/08.

## Timing / transaction details

### **WHAT WILL HAPPEN IF I HAVE SETTLED SHARES IN MY ACCOUNT AT THE CLOSE OF BUSINESS ON THE JULY 21 RECORD DATE?**

The transfer agent for the iShares Silver Trust should deliver post-split shares to the Depository Trust Company (DTC) on the payable date, July 23, and DTC is expected to allocate them to DTC participants on July 28. You should see the change in your account holdings sometime after July 28, depending upon your brokerage firm's procedures.

### **WHAT WILL HAPPEN IF I BUY TRUST SHARES THAT HAVE NOT SETTLED BEFORE THE JULY 21 RECORD DATE?**

Transactions that occur beginning on July 17 through July 23 should not be settled on the record date. In this case, your broker should receive a due bill indicating that the shares you purchased are due additional shares, as determined by the split ratio. It is anticipated that the due bill will be exchanged for the shares on the July 28 due bill redemption date, and you will see the change in your account holdings sometime after July 28, depending upon your brokerage firm's procedures.

### **WHY DON'T I SEE ADDITIONAL POST-SPLIT SHARES REFLECTED IN MY ACCOUNT EITHER ON PAYABLE DATE OR DUE BILL REDEMPTION DATE?**

Paying additional shares is a three-step process. In the first step, the transfer agent, on behalf of the issuer, delivers the additional shares to DTC on the payable date or due bill redemption date. Second, DTC then credits DTC participant accounts on the due bill redemption date. Third, brokerage firms credit your account, which depending on their procedures, may take several days.

### **WHAT WILL HAPPEN IF I SELL MY SHARES ANY TIME BEFORE THE EX-DATE, JULY 24?**

You relinquish your right to the additional shares, as you have traded before the impact of the split was put into effect, transacting at a pre-split price and share quantity.

### **WHAT WILL HAPPEN IF I SELL MY SHARES ON OR BETWEEN THE JULY 21 RECORD DATE AND THE JULY 23 PAYABLE DATE?**

You relinquish your right to the additional shares, as you have traded before the impact of the split was put into effect, transacting at a pre-split price and share quantity.

### **WHAT IF I BUY/SELL SHARES ON THE JULY 24 EX-DATE DURING MARKET HOURS?**

We expect that Trust shares will begin trading on a split-adjusted basis on July 24.

iShares Silver Trust (the Trust) has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus and other documents the Trust has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting [www.iShares.com](http://www.iShares.com) or EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the Trust, any underwriter or any dealer participating in the offering, will arrange for Barclays Global Investors Services to send you the prospectus if you request it by calling toll-free 1-800-474-2737, or you may request a copy from any other dealer participating in the offering.

Barclays Global Investors International, Inc. (BGII) is the sponsor of the iShares Silver Trust (Silver Trust). Barclays Global Investors Services (BGIS) assists in the marketing of the Silver Trust. BGII and BGIS are affiliates of Barclays Global Investors, N.A., which is a majority-owned subsidiary of Barclays Bank PLC.

**Investing involves risk, including possible loss of principal. The iShares Silver Trust is not an investment company registered under the Investment Company Act of 1940 or a commodity pool for purposes of the Commodity Exchange Act. Shares of the Silver Trust are not subject to the same regulatory requirements as mutual funds. Because shares of the iShares Silver Trust are expected to reflect the price of the silver held by the Trust, the market price of the shares will be as unpredictable as the price of silver has historically been. Additionally, shares of the Silver Trust are bought and sold at market price (not NAV). Brokerage commissions will reduce returns.**

Shares of the Silver Trust 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. The price received upon the sale of shares of the Silver Trust, which trade at market price, may be more or less than the value of the silver represented by them. If an investor sells the shares at a time when no active market for them exists, such lack of an active market will most likely adversely affect the price received for the shares. **For a more complete discussion of risk factors relative to the Silver Trust, carefully read the prospectus.**

Following an investment in the iShares Silver Trust, several factors may have the effect of causing a decline in the prices of silver and a corresponding decline in the price of the shares. Among them: (i) A change in economic conditions, such as a recession, can adversely affect the price of silver. Silver is used in a wide range of industrial applications, and an economic downturn could have a negative impact on its demand and, consequently, its price and the price of the shares. (ii) A significant change in the attitude of speculators and investors towards silver. Should the speculative community take a negative view towards silver, a decline in world silver prices could occur, negatively impacting the price of the shares. (iii) 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 shares.

The amount of silver represented by shares of the iShares Silver Trust will decrease over the life of the Trust due to sales necessary to pay the sponsor's fee and Trust expenses. Without increase in the price of silver sufficient to compensate for that decrease, the price of the shares will also decline, and investors will lose money on their investment. The Silver Trust will have limited duration. The liquidation of the Trust may occur at a time when the disposition of the Trust's silver will result in losses to investors.

Although BGII believes that market makers will take advantage of differences between the NAV and the trading price of Silver Trust shares through arbitrage opportunities, BGII cannot guarantee that they will do so. BGII cannot guarantee an active trading market for the shares, which may result in losses on your investment at the time of disposition of your shares. The value of the shares of the Silver Trust will be adversely affected if silver owned by the Trust is lost or damaged in circumstances in which the Trust is not in a position to recover the corresponding loss. The Silver Trust is a passive investment vehicle. This means that the value of your shares may be adversely affected by Trust losses that, if the Trust had been actively managed, might have been possible to avoid.

**Shares of the iShares Silver Trust are not deposits or other obligations of or guaranteed by Barclays Global Investors, N.A. or its affiliates (BGI), and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

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When comparing commodities and the iShares Silver Trust, it should be remembered that management fees associated with the Trust are not borne by investors in individual commodities. Buying and selling shares of the iShares Silver Trust will result in brokerage commissions. Because the expenses involved in an investment in physical silver will be dispersed among all holders of shares of the Silver Trust, an investment in the Silver Trust may represent a cost-efficient alternative to investments in silver for investors not otherwise able to participate directly in the market for physical silver.

Although shares of the iShares Silver Trust may be bought or sold on the exchange through any brokerage account, shares are not redeemable except in large aggregated units called baskets.

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Not FDIC Insured   No Bank Guarantee   May Lose Value

