

Annual Report
December 31, 2009



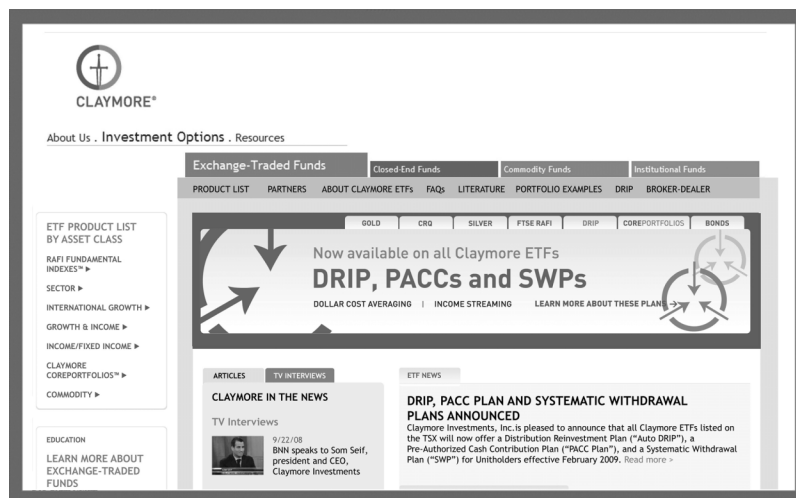
CLAYMORESM

Claymore Silver Bullion Trust
(SVR.UN)

INTELLIGENT INVESTING

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**... your access to the LATEST,
most up-to-date INFORMATION about
the Claymore Funds**



Online at **www.claymoreinvestments.ca**, you will find:

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- *Fund and advisor contact information*

Claymore Investments is continually updating and expanding shareholder information services on the Fund's website, in an ongoing effort to provide you with the most current information about how your Fund's assets are managed, and the results of our efforts. It is just one more small way we are working to keep you better informed about your investment in the Funds.

Auditors' Report

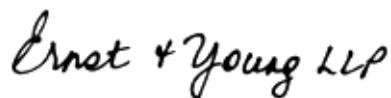
To the Unitholders of

Claymore Silver Bullion Trust (the "Fund")

We have audited the statement of net assets and the statement of investment portfolio of the Fund as at December 31, 2009, and the statements of operations and changes in net assets for the period from July 15, 2009 (date of inception) to December 31, 2009. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets and investments of the Fund as at December 31, 2009, and the results of operations and changes in net assets for the period from July 15, 2009 (date of inception) to December 31, 2009 in accordance with Canadian generally accepted accounting principles.

The signature of Ernst & Young LLP is written in a cursive, handwritten style in black ink.

Chartered Accountants
Licensed Public Accountants

Toronto, Canada
March 24, 2010

Statement of **Investment Portfolio** | As of December 31, 2009

Number of Ounces	Description	Average Cost	Fair Value	% of Net Assets
	Bullion			
2,476,400	Silver Bullion	\$ 38,211,869	\$ 44,108,311	98.29%
	Total Investments	\$ 38,211,869	\$ 44,108,311	98.29%
	Other assets less liabilities		767,976	1.71
	Net Assets		\$ 44,876,287	100.00%

Foreign Currency Forward Contracts*

Notional Value	Forwards	Maturity Date	Forward Value	Fair Value	Unrealized gain (loss)
(1,261,400)	USD Forward @ 1.061	5-Jan-10	\$ (1,338,343)	\$ (1,322,382)	\$ 15,961
(44,000,000)	USD Forward @ 1.0538	5-Jan-10	(46,367,175)	(46,127,180)	239,995
1,500,000	USD Forward @ 1.06827	5-Jan-10	1,602,402	1,572,518	(29,884)
42,430,000	USD Forward @ 1.0486	5-Jan-10	44,492,096	44,481,278	(10,818)
(368,600)	USD Forward @ 1.0573	5-Jan-10	(389,720)	(386,420)	3,300
1,700,000	USD Forward @ 1.05501	5-Jan-10	1,793,516	1,782,187	(11,329)
(42,000,000)	USD Forward @ 1.04853	2-Feb-10	(44,038,256)	(44,029,482)	8,774
			\$ (44,245,480)	\$ (44,029,481)	\$ 215,999

* The foreign currency forward contracts are entered with Scotia Capital having Standard & Poor's credit rating of AA — .

See accompanying notes which are an integral part of these financial statements.

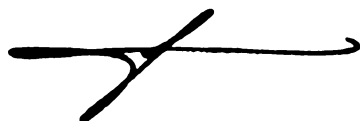
Statement of Net Assets

As at December 31

2009

Assets	
Silver Bullion, at fair value (note 2)	\$ 44,108,311
Cash	552,623
Forward agreements, at fair value (note 2)	215,999
Subscription receivable	24,000
	<u>44,900,933</u>
Liabilities	
Accrued management fees (note 6)	24,646
Net assets representing unitholders' equity	<u>\$ 44,876,287</u>
Units outstanding (note 5)	<u>3,889,778</u>
Net assets per unit (note 3)	<u>\$ 11.54</u>
Diluted units outstanding (note 5)	<u>7,200,000</u>
Diluted net assets per unit (note 5)	<u>\$ 10.83</u>
Net asset value per unit (note 3)	<u>\$ 11.54</u>

Approved on behalf of the Fund Manager:



Som Seif
President & CEO



Kevin M. Robinson
Secretary

See accompanying notes which are an integral part of these financial statements.

Statement of Operations

For the period from July 15, 2009* to December 31, 2009

	2009
Expenses	
Management fees (note 6)	\$ 121,273
Independent review committee fees	204
	121,477
Net investment loss	121,477
Net realized gain on sale of investments	497,109
Net realized loss on foreign currency	(8,953)
Net realized gain on forward agreements	1,962,600
Change in unrealized appreciation in value of investments	5,896,442
Change in unrealized appreciation in forward agreements	215,999
Net gain on investments	8,563,197
Increase in net assets from operations	\$ 8,441,720
Increase in net assets from operations per unit	\$ 2.31
Increase in net assets from operations per fully diluted unit	\$ 2.25

* Commencement of Operations

Statement of Changes in Net Assets

For the period from July 15, 2009* to December 31, 2009

	2009
Net assets, beginning of the period	\$ —
Increase in net assets from operations	8,441,720
Capital unit transactions	
Proceeds from issuance of units	38,930,373
Issuance cost	(2,495,806)
Distributions reinvested	1,809,281
	38,243,848
Distribution to unitholders	
Net realized gains	(1,809,281)
Increase in net assets for the period	44,876,287
Net assets, end of the period	\$ 44,876,287

* Commencement of Operations

See accompanying notes which are an integral part of these financial statements.

Notes to the Financial Statements

For the period ended December 31, 2009

1. Establishment of Fund

Claymore Silver Bullion Trust (the "Fund") is a closed-end investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of June 29, 2009. The manager and trustee of the Fund is Claymore Investments, Inc. (the "Manager" and the "Trustee"). The Fund has been created to provide holders of units of the Fund (the "Unitholders") with an exposure to physical silver bullion with a currency hedge against the US dollar ("USD") and will not speculate with respect to short term changes in silver prices. The investment objective of the Fund is to replicate the performance of the price of silver bullion, less the Fund's expenses and fees. The Fund does not anticipate making regular distributions on its Fund Units. Given that silver bullion is priced in USDs, the Fund will hedge substantially all of the Fund's USD currency value back to Canadian dollars.

The net proceeds of the offering have been used to purchase and hold physical silver bullion in accordance with the investment objective, strategy, policies and restrictions of the Fund. All of the Fund's physical Silver bullion will be stored on an allocated and segregated basis in the vaults of the Bank of Nova Scotia, a Canadian Schedule I chartered bank or an affiliate or a division thereof or a sub-custodian. The majority of the silver bullion will be held in Canada with the remaining silver held in London and/or New York. All of the silver bullion purchased by the Fund will be certified as either "LMBA Good Delivery" or "COMEX Good Delivery".

The Fund commenced operations on July 15, 2009.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Financial Instruments

CICA Handbook – Accounting Section 3862, Financial Instruments – Disclosures ("Section 3862") and Section 3863, Financial Instruments – Presentation ("Section 3863") was adopted by the Fund on commencement of operations.

Section 3862 modifies the disclosure requirements for financial instruments that were included in Section 3861, Financial Instruments – Disclosure and Presentation ("Section 3861"). This new standard requires the Fund to provide disclosures in its financial statements that enable users to evaluate the significance of financial instruments to its financial positions and performance as well as the nature and extent of risks arising from these financial instruments during the period and at the financial statement date and how the Fund manage those risks. Section 3863 carries forward the same presentation requirements for financial instruments under Section 3861. Refer to Note 7, "Financial Instruments and Risk Management" for further details.

On September 30, 2009, an amendment to Section 3862 became effective that requires the Fund to disclose fair value measurements by source of inputs, using a three-level hierarchy;

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as priced) or indirectly (derived from prices);

Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs);

b) Capital Disclosures

Section 1535, Capital Disclosures (“Section 1535”) of the CICA Handbook establishes standards for disclosing information about an entity’s capital and how it is managed. Section 1535 was adopted by the Fund on commencement of operations. Refer to Note 5 for a discussion on the Fund’s capital and how it is managed.

c) Application of CICA Handbook Section 3855

CICA Handbook 3855, “Financial Instruments – Recognition and Measurement”, establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. For purpose of preparing its financial statements, the Fund values its investments pursuant to Section 3855 as outlined below; the resulting net assets balance is referred to as the Net Assets. For all other purposes, including the processing of Unitholder transactions, the value of securities traded in the active market continue to be valued at their last traded price; the resulting net assets is referred as the Net Asset Value (“NAV”). For the Fund there is no difference in the Net Asset when compared to the NAV as the fair value of gold is the price described below. Net assets per unit and net asset value per unit are presented in the Statement of Net Assets of the Fund. This is in compliance with the amendments made to National Instruments 81-106 issued by the Canadian Securities Administrators (“CSA”) (“NI 81-106”), allowing the calculation of net asset value for the purpose of processing Unitholder transactions to differ from that of GAAP fair value measurements.

Valuation of investments

The base currency of the fund is the Canadian dollar and the market value of the silver bullion, denominated in USD, is translated into Canadian dollars at the rates of exchange applicable to the valuation date. Silver bullion is valued at its market value based on the “London Silver Fix” price on the applicable date, or if there is not a “London Silver Fix” price on such a date, on the immediately prior date, or an alternative price as determined by the Manager.

- a) Silver bullion transactions are recorded on a trade date basis. The realized gain or loss on sale of silver bullion is calculated with reference to the average cost of the related investments. Unrealized appreciation (depreciation) on silver bullion is the difference between the current market value of investment and the average cost of the silver bullion.
- b) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.
- c) The value of a forward contract is the gain or loss that would be realized if, on the valuation date, the positions were closed out. The forward contract is valued using an interpolation of the forward exchange rate based on the length of the forward contract. It is reflected in the Statement of Operations as change in unrealized appreciation (depreciation) on forward agreements. When the forward contracts are closed out, any gains or losses realized are included in net realized gain or loss on forward agreements.
- d) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations for the period divided by the weighted average units outstanding during the period.
- e) Increase (decrease) in net assets from operations per fully diluted unit represents the increase (decrease) in net assets from operations for the period divided by the weighted average fully diluted units outstanding during the period.
- f) Issuance costs incurred in connection with the offerings are charged to equity.

3. Fair Value of financial instruments and commodities

The following table shows the financial instruments recognized at fair value, analyzed between those whose fair value is based on:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as priced) or indirectly (derived from prices);
- Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs);

December 31, 2009				
Financial assets held for trading	Level 1	Level 2	Level 3	Total
1. Physical Commodities				
Silver Bullion	\$ 44,108,311			\$ 44,108,311
Forward Agreement		\$ 215,999		215,999
Totals	\$ 44,108,311	\$ 215,999		\$ 44,324,310

When fair values of traded commodities at the reporting date are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

The Fund uses widely recognized valuation models for determining fair values of over-the-counter derivatives. For these financial instruments, inputs into these models are market observable and are therefore included within Level 2.

The fair values of forward agreements are calculated by reference to current exchange rates for contracts with similar maturity and risk profiles.

Instruments that would be included in Level 3 include those for which fair value is based on non-observable inputs that are supported by little or no market activity. Currently, the Fund does not hold any such investments.

Transfer between categories

There were no transfers between Level 1 and Level 2 of the fair value hierarchy.

4. Changeover to International Financial Reporting Standards

The Canadian Accounting Standards Board ("ACSB") recently confirmed January 1, 2011 as the date the International Financial Reporting Standards ("IFRS") will replace current Canadian standards and interpretations as Canadian GAAP for publicly accountable enterprises, which includes investment funds. Management is in the process of developing a changeover plan, which will include identifying differences between the Fund's current accounting policies and those it expects to apply under IFRS, as well as any accounting policy and implementation decisions and their resulting impact, if any, on net asset values of the Fund.

5. Capital Unit Transactions

Initial offering price of the Fund's units was \$10.00 per unit. Each initial unit (a "Unit") comprised one redeemable, transferable trust unit of the Fund (each a "Fund Unit") and one warrant. The Units separated into Fund Units and warrants on the close of the Offering. Unit transactions of the Fund for the period ended December 31, 2009 were as follows:

	December 31, 2009
	Common Units
Initial public offering	3,600,000
Warrants exercised for units	289,778
Units outstanding, end of year	3,889,778

Each warrant of the Fund will entitle the holder to acquire a Fund Unit at an exercise price of \$10.00 per Fund Unit at any time before 4:00 pm (Toronto time) on January 15, 2010 ("Expiry Date"). Warrants not issued by the expiration date will be void and of no value. Warrant transactions of the Fund for the period ended December 31, 2009 were as follows:

Warrants issued	3,600,000
Exercised	289,778
Warrants outstanding, end of period	3,310,222

If the NAV per unit of the fund exceeds \$10.00 a diluted NAV per unit is calculated on that day. As at December 31, 2009 the diluted NAV per Fund unit was calculated as:

Fully diluted net assets	\$ 77,978,907
Fully diluted units outstanding	7,200,000
Fully diluted NAV per Unit	\$ 10.83

Fund Units may be surrendered at any time for monthly redemption. Fund Units properly surrendered for redemption by a Unitholder by 5:00 p.m. (Toronto time) by the 10th business day before the last business day of a month (a "Monthly Redemption Date") will be redeemed on the Monthly Redemption Date and the Unitholder will receive payment on or before the 15th business day following such Monthly Redemption Date, subject to the Fund's right to suspend redemptions in certain circumstances.

A holder of Fund Units who properly surrenders a Fund Unit for redemption will receive the amount, if any, equal to the lesser of: (a) 95% of the weighted average trading price of the Fund Units on the stock exchange or market on which the Fund Units may be listed during the 15 trading days preceding the applicable Monthly Redemption Date, (b) the "closing market price" of the Fund Units on the principal market on which the Fund Units are quoted for trading on the applicable Monthly Redemption Date, and (c) the NAV per Fund Unit or diluted NAV per Fund Unit, as applicable, determined as of the Monthly Redemption Date; in each case less any expenses and redemption costs.

The "closing market price" shall be an amount equal to: (i) the closing price of the Fund Units if there was a trade on the applicable Monthly Redemption Date and the market provides a closing price; (ii) the average of the highest and lowest prices of the Fund Units if there was trading on the applicable Monthly Redemption Date and the market provides only the highest and lowest prices of the Fund Units traded on a particular day; or (iii) the average of the last bid and last asking prices of the Fund Units if there was no trading on the applicable Monthly Redemption Date. Notwithstanding the foregoing, a Unitholder who properly surrenders a Fund Unit for redemption during the Notice Period for an annual redemption will receive the Annual Redemption Amount.

Conversion to ETF

If after January 15, 2010, the daily weighted average trading price (or, in the event there has been no trading on a particular day, the average of closing bid and ask prices) of the Fund's Units is greater than a discount of 2% of the net asset value per Fund Unit for that day for a period of 10 consecutive trading days, there will be an automatic conversion of the Fund Units into common units of the Fund already defined as the Claymore Silver Bullion Trust an exchange-traded fund (the "Fund ETF") (the "Conversion").

An "ETF" is a stock exchange listed, open-ended, continuously offered fund. Common class units of the Fund ETF will be offered and redeemed daily primarily through designated brokers and underwriters. Following the Conversion, the Fund ETF's investment objective, investment strategies and investment restrictions will remain the same.

6. Expenses**Management Fee**

The Fund will pay the Manager a monthly management fee of 0.60% per annum on one-twelfth of the NAV per Unit of the Fund at month end plus applicable taxes. The management fee will be calculated and accrued daily and will be paid monthly in arrears.

Other fees and expenses

The Manager is responsible for all costs and expenses of the Fund except the management fee, brokerage expenses and commissions, taxes and withholding taxes, Investment Review Committee director fees, Silver settlement fees and any other extraordinary expenses. Cost and expenses of the Fund include the fees payable to the Custodian, Valuation Agent, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under "Organization and Management Details of the Fund – Duties and Services to be provided by the Manager."

7. Financial Instruments and Risk Management

The Fund's financial instruments consist of cash, and forward agreements. The Fund also holds silver bullion which is considered a commodity. The Fund's financial instruments and commodities are exposed to various types of risks including market risk, credit risk, liquidity risk, and currency risk. These risks and related risk management practices employed by the Fund are discussed below:

Market risk

Market risk is the risk that the fair value of silver bullion will fluctuate because of changes in market prices, currency, or transaction timing. The principal factors affecting the value of the Fund are factors which affect the currency price of silver. The silver bullion assets of the Fund are tradable internationally and are denominated in USDs. The price of the Units of the Fund will depend on, and typically fluctuate with, the price fluctuations of silver. The price of silver may be affected at any time by many unpredictable international, economic, monetary, and political factors. The Fund employs a purchase and hold investment strategy of silver bullion. Disposition of silver bullion will be necessary to pay redemptions when cash reserves are not adequate.

As at December 31, 2009, the impact on the Fund's net assets of a 5% increase or decrease in the price of silver bullion, with all other variables held constant, would be an increase or decrease of \$2,205,416. The actual results will vary depending upon the quantity of silver bullion held and other factors.

Credit risk

Credit risk is the risk of loss due to the failure of Counterparty to satisfy its obligations. Credit risk is monitored on an ongoing basis and is managed by the Fund by only dealing with issuers it believes to be creditworthy. The Fund is exposed to credit risk through the use of forward agreements to hedge currency fluctuation of Canadian dollar to the USD. Due to the nature of the hedging strategy of the Fund, the Fund relies on the ability of the counterparty to the hedging transaction to perform its obligations. In the event counterparty fails to complete its obligation,

the Fund bears the risk of loss of the amount expected to be received under the hedging transaction or other transactions in the event of the default or bankruptcy of counterparty. To minimize the credit risk, the Manager performs ongoing credit evaluations based upon factors surrounding the credit risk of counterparties, historical trends and other information.

Liquidity risk

Liquidity risk is the risk that the Fund will not be able to generate adequate cash resources to fulfill its payment obligations. The Fund is exposed to cash redemptions of redeemable units. The Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. In addition, silver bullion is readily tradable in an active market and can be sold if necessary to Fund those payments.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the reporting currency of the fund, will fluctuate due to changes in foreign exchange rates. Silver bullion is quoted and traded in USD and, as a result, the Fund is vulnerable to foreign currency risk. The Fund hedges its foreign currency exposure through the use of forward currency contracts.

The table below summarizes the Fund's exposure to currency risks

Currency	Investments (\$)	Cash (\$)	Foreign Exchange Forward Contracts	Other (\$)	Total (\$)	Percentage of Net Assets (%)
December 31, 2009						
CAD	44,108,311	–	(44,029,482)	–	78,829	0.18

As at December 31, 2009, if the exchange rate between the Canadian dollar and the USD the Fund is exposed to increased or decreased by 5%, with all other variables held constant, the increase or decrease respectively in net assets would not have any material impact to the Fund due to its currency hedging program.

8. Income Taxes

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of sufficient net income and realized capital gains for tax purposes are paid or payable to Unitholders so that the Fund will not be liable for income tax under Part I of the *Income Tax Act (Canada)*.

The Fund intends to be a long-term holder of silver bullion and will not speculate with respect to short term changes in silver prices, The Fund will treat gains (or losses) as a result of any disposition of silver bullion as capital gains (or capital losses) or, depending on the circumstances, include the full amount in (or deduct from) income. The CRA has expressed the opinion that gains (or losses) of mutual fund trusts resulting from transactions in commodities should generally be treated for tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances.

9. Distribution

The Fund may declare a special capital gains distribution at year end if required to ensure that the Fund does not incur any tax liabilities. At December 31, 2009 the Claymore Silver Bullion Trust made a special capital gains distribution. The distribution was paid by the issuance of units of the Fund, and that immediately thereafter, the issued and outstanding units of the Fund were consolidated on December 31, 2009, such that the number of issued and outstanding units of the Fund did not change from the number of units outstanding prior to this distribution.

10. Subsequent Events

On January 15, 2010 the Fund's warrant holders exercised 3,516,000 warrants for the same amount of Fund Units at an exercise price of \$10 per Fund Unit with total cash proceeds of \$35,516,000 received from the issuance of the Fund Units.

As set out in the prospectus, the Fund is to automatically convert into an ETF if, commencing after January 15, 2010, the daily weighted average trading price of the Fund Units was greater than a discount of 2% of the net asset value per Fund Unit for that day, for a period of 10 consecutive trading days.

Fund Information

Claymore Investments, Inc.

Directors and Officers

Som Seif
*Chief Executive Officer,
President and Director*

Chuck R. Craig
Chief Investment Officer

Bruce Albelda
*Chief Financial Officer
and Director*

Kevin M. Robinson
Secretary

J. Thomas Futrell
Director

Michael J. Rigert
Vice President

Jeffrey D. Logan
Vice President

David C. Hooten
*Chairman of the
Board of Directors*

Bruce Saxon
Vice President Compliance

Independent Review Committee

Douglas G. Hall (Chair)

Roman Friedrich III

Randall C. Barnes

Custodian

The Bank of Nova Scotia

Auditors

Ernst & Young LLP

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