

Interim Management
Report of Fund Performance &
Interim Financial Statements
(Unaudited)
June 30, 2010



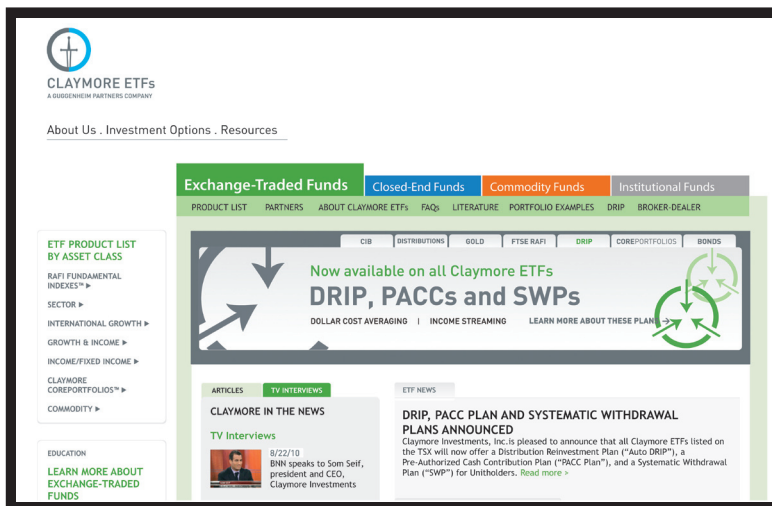
CLAYMORE ETFs
A GUGGENHEIM PARTNERS COMPANY

Claymore Silver Bullion Trust
(SVR.UN)

INTELLIGENT INVESTING

www.claymoreinvestments.ca

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



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

- Daily, weekly and monthly data on share prices, distributions, dividends and more
- Monthly portfolio overviews and performance analyses
- Announcements, press releases and special notices
- 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.

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Management Report of Fund Performance | As of June 30, 2010

Claymore Silver Bullion Trust

This interim management report of fund performance contains financial highlights but does not contain either interim or annual financial statements for the investment fund. You may obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-866-417-4640, by writing us at Claymore Investments, Inc. 200 University Ave. 13th Floor, Toronto, Ontario M5H 3C6 or by visiting our website at www.claymoreinvestments.ca or SEDAR at www.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure relating to the investment fund.

This report may contain forward-looking statements. Forward-looking statements involve risks and uncertainties and are predictive in nature. Actual results could differ materially from those contemplated by the forward-looking statements.

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of the Claymore Silver Bullion Trust (the "Fund") is to replicate the price performance of silver bullion, less the Fund's expenses and fees. The Fund is not actively managed. The Fund does not anticipate making regular distributions.

Strategy

The Fund invests in holdings of unencumbered silver bullion, and will not speculate with regard to short-term changes in silver prices. All of the silver bullion purchased by the Fund will be certified either "London Good Delivery" or "COMEX Good Delivery" by the relevant vendor. This strategy provides investors with the ability to invest in silver bullion in a convenient, tradable and secure manner without the associated inconvenience and high transaction, handling, storage, insurance and other costs typical of direct silver bullion investment. The Fund employs a currency hedging strategy to the U.S. dollar ("USD") to reduce the currency risk exposure of the Fund as silver bullion is priced in USD.

Risk

The risks of investing in the Fund are described in the Fund's prospectus of June 29, 2009 (the "Prospectus"). During 2010, there have been no changes to the Fund that have materially affected its overall level of risk as described in the Prospectus.

Results of Operations

During 2010, the net assets of the Fund increased by \$35.4 million, driven by net subscriptions in the Fund of \$32.3 million and appreciation of portfolio assets.

All Fund returns cited, whether based on net asset value ("NAV") or market price, assume the reinvestment of all distributions. For the six months ended June 30, 2010, the transferable units of the Fund (the "Fund Units") generated a total return of -2.26% on a NAV basis, representing a change in NAV per unit to \$11.28 on June 30, 2010 from \$11.54 on December 31, 2009. Based on the diluted NAV basis at December 31, 2009 of \$10.83, the Fund's total return was 4.12%. On a market price basis, the Fund Units generated a total return of 4.46%, representing a change in market price to \$11.01 on June 30, 2010 from \$10.54 on December 31, 2009. For the same period, silver bullion appreciated by 10.31% in USD terms.

Silver spot price posted a gain of 6.52% for the second quarter of 2010 and is up 10.31% for the year to date. Notably, silver bullion has now posted a gain for the past six consecutive quarters. This represents the longest quarterly winning streak since the beginning of 1980 when silver bullion posted eleven consecutive quarters of gains.

The Fund's holdings have increased 14 tonnes in June, reaching total holdings of 12,540 tonnes.

On January 15, 2010, the Fund's warrant holders exercised 3,516,000 warrants for the same number of Fund Units at an exercise price of \$10.00 per warrant for 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 exchange-traded fund ("ETF") if, after January 15, 2010, the daily weighted average trading price of the Fund Units is greater than a discount of 2% of the NAV per Fund Unit for that day, for a period of 10 consecutive trading days.

Recent Developments

There have been no recent developments of particular note—aside from the normal fluctuations of the markets—that are expected to have any undue influence on the portfolio of the Fund when compared to its benchmark, and there has been no change in the manager or in the membership of the independent review committee of the Fund.

Introduction of Harmonized Sales Tax

Effective July 1, 2010, the province of Ontario and the province of British Columbia have harmonized their provincial sales taxes with the goods and services tax (GST), resulting in a harmonized sales tax (HST) of 13% (Ontario) and 12% (British Columbia). The HST will be charged on the Fund management fees as well as other expenses payable by the Fund that are currently subject to GST. Any increased costs resulting from an increase in such tax payable by the Fund may be borne by the unit holders of the Fund.

Related Party Transactions

Claymore Investments, Inc. ("Claymore"), a registered exempt market dealer and portfolio manager, is the manager and trustee of the Fund and is responsible for the administration of the Fund. Claymore is a wholly-owned subsidiary of Claymore Group Inc., a financial services and asset management company based in the Chicago, Illinois area.

Claymore, as the manager and trustee of the Fund, is responsible for the operations of the Fund and is entitled to receive management fees from the Fund (see "Management Fees" below). All operating expenses other than the management fees, service fees, fees relating to the independent review committee of the Fund, income tax and withholding taxes, interest expenses, brokerage commission and charges and other extraordinary expenses are the responsibilities of Claymore.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six months ended June 30, 2010 and the period ended December 31, 2009.

Net Assets per Unit ⁽¹⁾	For the period from July 15, 2009* to	
	Jun 30, 2010	December 31, 2009
Net Assets, beginning of the period	\$ 11.54	\$ 10.00
Increase (decrease) from operations:		
Total expenses	(0.04)	(0.03)
Realized gains (losses) for the period	(0.16)	0.67
Unrealized gains (losses) for the period	0.65	1.67
Total increase (decrease) from operations ⁽²⁾	0.45	2.31
Distributions:		
From realized gains	-	(0.47)
Consolidation of units from realized gains	-	0.47
Total distributions ⁽³⁾	-	-
Net Assets, end of period ⁽²⁾	\$ 11.28	\$ 11.54
Ratios and Supplemental Data (Based on Net Asset Value)		
Net asset value (\$000's) ⁽⁴⁾	\$ 80,280	\$ 44,852
Number of units outstanding (000's) ⁽⁴⁾	7,119	3,887
Management expense ratio ⁽⁵⁾	0.64%	0.63%
Portfolio turnover rate ⁽⁶⁾	11.58%	13.72%
Trading expense ratio ⁽⁷⁾	0.00%	0.00%
Net asset value per Unit	\$ 11.28	\$ 11.54
Market Price, end of period	\$ 11.01	\$ 10.54

⁽¹⁾ This information is derived from the Fund's unaudited interim and audited annual financial statements. The Net Assets per unit presented in the financial statements differ from the Net Asset Value calculated for Fund pricing purposes, as "Net Assets" reflect the value of securities at their closing bid/ask prices for long/short positions where as "Net Asset Value" reflects the value of securities at their last traded price. (See the complete interim financial statements for more information on "Net Assets" and "Net Asset Value").

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash/reinvested in additional units of the Fund, or both.

⁽⁴⁾ The information is provided as of June 30, 2010 and December 31, 2009.

⁽⁵⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. As at December 31, 2010, the management expense ratio including offering expense was 13.57%.

⁽⁶⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The rate is calculated based on the lesser of purchases or sales of securities by the average weighted market value of the portfolio securities, excluding short-term securities.

⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

* Commencement of operations

Management Fees

Claymore receives a management fee for providing management and administration services to the Fund. The management fee, exclusive of HST, is charged at 0.60% per annum on the units and is calculated and accrued daily and paid monthly, in arrears. Approximately 100% of management fees were used for investment management, other general administration expenses and profit.

The Manager has paid substantially all of the costs and expenses relating to the operation of the business and affairs of the Fund including investment management, administration, legal, accounting, custody, audit, registrar and transfer agency fees and expenses associated with the advertising, marketing, sponsoring and promoting the sale of the units of the Fund.

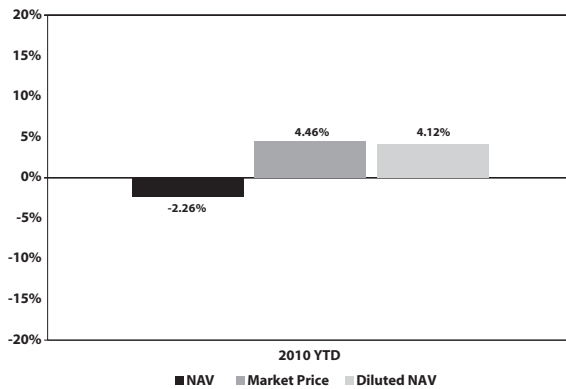
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year by Year Returns

The following bar chart shows the Fund's performance for each of the periods indicated and illustrates how the fund's performance changed from period to period. In percentage terms, the bar chart shows how much the investment would have grown or decreased by the end of each financial period if the investment had been made at the beginning of the financial year.

Total Returns (Fiscal Year)



Summary of Investment Portfolio as at June 30, 2010 (unaudited)

Sector Mix	% of Fund's Net Asset Value	Top Issuers	% of Fund's Net Asset Value
Energy	99.8	Silver Bullion	99.8
Cash and Cash Equivalents	1.3	Cash and Cash Equivalents	1.3
Forward Contracts	(1.1)	Forward Contracts	(1.1)
	100.0		100.0
		Total Net Asset Value	\$80,279,749

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. An update is available quarterly at www.claymoreinvestments.ca.

Notice to **Investors**

The accompanying interim financial statements have not been reviewed by the external auditors of the Funds. The external auditors will be auditing the annual financial statements of the Funds in accordance with Canadian generally accepted auditing standards.

Statement of Net Assets

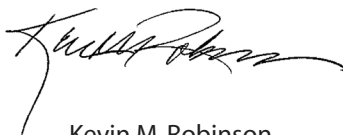
As at June 30, 2010 and December 31, 2009
(in Canadian Dollars)

	June 30, 2010 (unaudited)	December 31, 2009 (audited)
Assets		
Silver Bullion, at fair value (note 2)	\$ 80,154,404	\$ 44,108,311
Cash	145,404	552,623
Forward agreements, at fair value (note 2)	–	215,999
Subscription receivable	–	24,000
Due from brokers	881,700	–
	<u>81,181,508</u>	<u>44,900,933</u>
Liabilities		
Forward agreements, at fair value (note 2)	860,979	–
Accrued management fees (note 6)	40,780	24,646
	<u>901,759</u>	<u>24,646</u>
Net assets representing unitholders' equity	<u>\$ 80,279,749</u>	<u>\$ 44,876,287</u>
Units outstanding (note 5)	<u>7,119,000</u>	<u>3,889,778</u>
Net assets per unit (note 3)	<u>\$ 11.28</u>	<u>\$ 11.54</u>
Diluted units outstanding (note 5)	<u>–</u>	<u>7,200,000</u>
Diluted net assets per unit (note 5)	<u>–</u>	<u>\$ 10.83</u>
Net asset value per unit (note 3)	<u>\$ 11.28</u>	<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 six months ended June 30
(in Canadian Dollars)

	June 30, 2010 (unaudited)
Expenses	
Management fees (note 6)	\$ 229,873
Independent Review Committee fees	2,864
Net investment loss	232,737
Net realized gain on sale of investments	687,890
Net realized loss on foreign currency	(113,760)
Net realized loss on forward agreements	(1,696,537)
Change in unrealized appreciation in value of investments	5,544,411
Change in unrealized depreciation in forward agreements	(1,076,979)
Change in unrealized depreciation in foreign exchange	(1,046)
Net gain on investments	3,343,979
Increase in net assets from operations	\$ 3,111,242
Increase in net assets from operations per unit	\$ 0.45

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

Statement of Changes in Net Assets

For the six months ended June 30
(in Canadian Dollars)

	June 30, 2010 (unaudited)
Net assets, beginning of the period	\$ 44,876,287
Increase in net assets from operations	3,111,242
Capital unit transactions	
Proceeds from issuance of units	32,292,220
	32,292,220
Increase in net assets for the period	35,403,462
Net assets, end of the period	\$ 80,279,749

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

Statement of Investment Portfolio | As at June 30, 2010 (unaudited)

Number of Ounces	Description	Average Cost	Fair Value	% of Net Assets
Common Stock				
Energy				
4,025,000	Silver Bullion	\$ 68,713,551	\$ 80,154,404	99.84%
Total Investments		\$ 68,713,551	80,154,404	99.84
Other assets less liabilities			125,345	0.16
Net Assets			\$ 80,279,749	100.00%

Foreign Currency Forward Contracts *

Notional Value	Forwards	Maturity Date	Forward Value	Fair Value	Unrealized gain (loss)
(1,450,000)	USD Forward @ 1.05003	2-Jul-10	\$ (1,522,544)	\$ (1,540,860)	\$ (18,316)
(73,000,000)	USD Forward @ 1.05193	2-Jul-10	(76,790,890)	(77,574,319)	(783,429)
76,350,000	USD Forward @ 1.00629	2-Jul-10	76,830,242	76,812,175	(18,067)
2,800,000	USD Forward @ 1.05159	2-Jul-10	2,944,452	2,975,453	31,001
(2,300,000)	USD Forward @ 1.0573	2-Jul-10	(2,431,790)	(2,444,124)	(12,334)
(2,400,000)	USD Forward @ 1.03237	2-Jul-10	(2,477,688)	(2,550,382)	(72,694)
(75,700,000)	USD Forward @ 1.063	27-Jul-10	(80,469,100)	(80,456,240)	12,860
			\$ (83,917,317)	\$ (84,778,297)	\$ (860,979)

* The foreign currency forward contracts are entered with Bank of Montreal having Standard & Poor's credit rating of A+.

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

Notes to the Financial Statements | As of June 30, 2010 (Unaudited)

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 and amended and restated on December 10, 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 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.

a. Investment Objective

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 U.S. dollars ("USD"), the Fund hedges substantially all of the Fund's USD currency value back to Canadian dollars.

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

The Fund has adopted the CICA Handbook – Accounting Section 3862, Financial Instruments – Disclosures ("Section 3862") and Section 3863, Financial Instruments – Presentation ("Section 3863").

Section 3862 modifies the disclosure requirements for financial instruments that were included in Section 3861, Financial Instruments – Disclosure and Presentation. Section 3862 requires the Fund to provide disclosure in their financial statements that enables users to evaluate the significance of financial instruments to the Fund's financial positions and performance as well as the nature and extent of risks arising from these financial instruments during the period and at the date of the financial statement in addition to how the Fund manages those risks. Section 3863 carries forward the same presentation requirements for financial instruments under Section 3861.

In January 2009, the Emerging Issues Committee of the Canadian Accounting Standards Board ("EIC") issued EIC-173, concluding that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities (including derivative instruments) for presentation and disclosure purposes.

The accounting treatment in EIC-173 will be applied retrospectively without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009 - the date of issuance of EIC-173.

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. For further details, see Note 3 Fair Value of Financial Instruments and Commodities.

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

On April 1, 2008, the CICA issued Handbook Section 3855, “Financial Instruments – Recognition and Measurement” (“Sections 3855”), which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. For the 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 continues to be valued at their last traded price and the resulting value of net assets is referred to 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 silver 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.

In compliance with Section 3855, the accounting policies for the Fund are as follows:

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 Fund adopted the amendments to CICA 3862, on commencement of operations. CICA 3862 establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

- 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);

The following is a summary of the inputs used as of June 30, 2010 and December 31, 2009 in valuing the Fund's investments and derivatives that are carried at fair value:

	June 30, 2010			
Financial assets held for trading	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
1. Physical Commodities Silver Bullion	80,154,404	-	-	80,154,404
2. Forward agreements	-	(860,979)	-	(860,979)
Totals	80,154,404	(860,979)	-	79,293,425

	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
2. Forward agreements	-	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 for forward agreements, if any, 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

On January 1, 2011 International Financial Reporting Standards (“IFRS”) will replace current Canadian standards and interpretations as Canadian GAAP for publicly accountable enterprises, which includes investment funds.

For the Fund, IFRS will be effective for the interim and annual periods starting January 1, 2011, including the preparation and reporting of one year of comparative figures. In order to prepare for the transition to IFRS, the Manager has consulted with the Fund’s auditor and has developed an implementation plan that involves a review of the opening balances used for comparative figures by the Fund’s auditors and overall review of the Manager’s readiness for the IFRS conversion.

The Manager has presently determined that there will be no material impact to the NAV per unit from the changeover to IFRS. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of presentation and additional note disclosures in the financial statements of the Fund.

In May 2010, the Accounting Standard Board (“AcSB”) stated that it was submitting an exposure draft to defer the implementation date of IFRS for entities currently applying Accounting Guideline 18 Investment Companies (“AcG 18”), to years beginning after January 1, 2012. At this time this exposure draft has not been approved but, if approved, could delay the final implementation date for the Fund to IFRS.

5. Unit Transactions

The 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 June 30, 2010 and December 31, 2009 were as follows:

Trust Units	June 30, 2010	December 31, 2009
Opening Balance	3,887,378	3,600,000
Warrants exercised for units	3,231,622	287,378
Units outstanding, end of period	7,119,000	3,887,378

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 were voided and of no value. Warrant transactions of the Fund for the period ended June 30, 2010 were as follows:

Warrants	June 30, 2010	December 31, 2009
Opening Balance	3,312,622	–
Issued and outstanding	–	3,600,000
Exercised	3,231,622	287,378
Expired	81,000	–
Warrants outstanding, end of period	–	3,312,622

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 ETF will be offered and redeemed daily primarily through designated brokers and underwriters. Following the Conversion, the Fund'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.

Independent Review Committee fees

The independent review committee ("IRC") fees comprise fees charged by the IRC and out-of-pocket expenses associated with the quarterly IRC meetings.

Other fees and expenses

The Manager is responsible for all costs and expenses of the Fund except the management fee, service fee, brokerage expenses and commissions, income taxes and withholding taxes, IRC fees and extraordinary expenses plus applicable taxes. These costs and expenses include the fees payable to the custodian, registrar and transfer agent and plan agent and fees payable to other service providers retained by the Manager as described in the Fund's prospectus dated June 30, 2009 under "Organization and Management of the Fund."

Harmonized Sales Tax

Effective July 1, 2010, the Government of Ontario has harmonized the provincial sales tax with the federal goods and services tax (GST). As a result Claymore will be required to collect up to a combined 13% harmonized sales tax on management fees and service fees, paid to it by the Fund. Prior to this, any management fees charged by Claymore to the Fund are only subject to the 5% federal GST. Since the management expense ratio of the Fund includes taxes, a 13% harmonized sales tax will cause an increase in the management expense ratio of the Fund.

7. Change of Control

On October 15, 2009, Guggenheim Partners LLC, a global diversified financial services firm, completed the acquisition of Claymore Group Inc., parent company of Claymore Investments, Inc. As such, Claymore is now an indirect wholly-owned subsidiary of Guggenheim Partners LLC.

8. 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 June 30, 2010, 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 \$4,007,720 (December 31, 2010 - \$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 a 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 the 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 the 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 it is necessary for the Fund to fulfill those payments obligations.

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 (%)
June 30, 2010 CAD	80,154,404	–	(84,778,297)	881,700	(4,542,193)	(5.65)
December 31, 2009 CAD	44,108,311	–	(44,029,482)	–	78,829	0.18

As at June 30, 2010, if the exchange rate between the Canadian dollar and the USD 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 Claymore ETF due to its currency hedging program.

9. 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 Canadian Revenue Agency ("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.

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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