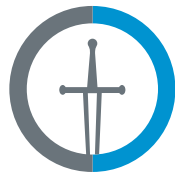


Annual Management Report
of Fund Performance
December 31, 2009



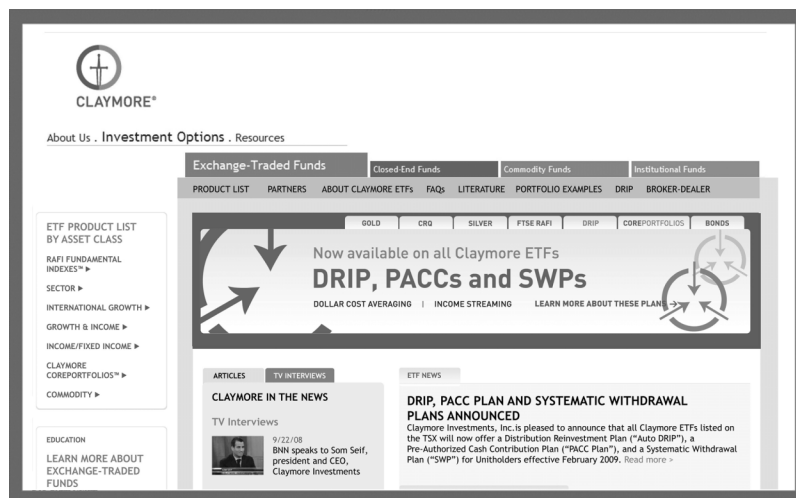
CLAYMORESM

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:

- *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.

Management Report of Fund Performance

As of December 31, 2009

Claymore Silver Bullion Trust

This annual 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 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 prospectus. During 2009, 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

The Fund commenced operations on July 15, 2009, with an initial Net Asset Value per unit Trust of \$10. Per NI 81-106, Form 81-106F1, Item 4.1(2), performance data as relates to the Fund may not be presented to unit holders of the Fund for Funds that have not completed at least one financial year. At December 31, 2009, the closing net asset value of the Trust units was \$11.54 and the closing market value was \$10.54.

The Fund's Trust units paid an annual capital gain dividend of \$0.4660 on December 31, 2009. The capital gain dividends were paid as notional distributions, immediately reinvested and the units were then consolidated.

Recent Developments

After steep and aggressive sell offs in 2008, Silver prices surged in 2009 as base metals rebounded strongly in response to government stimulus efforts and early signs that the global economy, led by China and India, may be emerging from recession. Silver prices also benefitted from being both an industrial metal and a cheap precious metal, as industrial metals have rallied strongly driving demand for silver.

Similar to Gold, Silver prices peaked in early December at \$19.47 oz, before pulling back in late December on stronger than expected economic data. Even after the run-up, silver has yet to reach the previous peak obtained in 2008.

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.

Change of Control of the Manager

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 Investments, Inc. is now an indirect wholly-owned subsidiary of Guggenheim Partners LLC.

Amendment to Accounting Policy

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 made by the Canadian Accounting Standards Board to Section 3862 of the generally accepted accounting standards 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 liabilities that are not based on observable market data (unobservable inputs)

The implementation of these new accounting policies will not have a material impact on the accounting policies of the Fund but will result in new additional disclosure requirements on the annual and interim financial statements.

Adoption of International Financial Reporting Standards ("IFRS")

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. Management is in the process of developing a changeover plan, which will include indentifying 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 value of the Fund. Currently, the Manager expects that the impact of the implementation of IFRS on the Fund's financial statements will result in additional disclosures and potentially different presentation of unitholders' interests and certain other items.

Related Party Transactions

Manager and Portfolio Adviser

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 ETF is responsible for the operations of the ETF and is entitled to receive a management fee from the ETF (see "Management Fees" below). All operating expenses other than the management fees, service fees, fees relating to the Independent Review Committee, 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 period from May 29, 2009* to December 31, 2009
Net Assets per Unit⁽¹⁾	
Net Assets, beginning of the period	\$ 10.00
Increase (decrease) from operations:	
Total expenses	(0.03)
Realized gains (losses) for the period	0.67
Unrealized gains (losses) for the period	1.67
Total increase (decrease) from operations⁽²⁾	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⁾	\$ 11.54
Ratios and Supplemental Data (Based on Net Asset Value)	
Net asset value (\$000's) ⁽⁴⁾	\$ 44,852
Number of units outstanding (000's) ⁽⁴⁾	3,887
Management expense ratio ⁽⁵⁾	0.63%
Portfolio turnover rate ⁽⁶⁾	13.72%
Trading expense ratio ⁽⁷⁾	0.00%
Net asset value per Unit	\$ 11.54
Market Price, end of period	\$ 10.54

⁽¹⁾ This information is derived from the Fund's 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 annual financial statements for this Fund 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 December 31 of the period shown, as applicable.

⁽⁵⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Management expense ratio including offering expense is 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 GST, is charged at 0.60% per annum on the net asset value 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. Per NI 81-106, Form 81-106F1, Item 4.1(2), performance data as relates to the Fund may not be presented to unit holders of the Fund for Funds that have not completed at least one financial year. Therefore no Year by Year or Annualized Returns are included in the report.

Summary of Investment Portfolio as at December 31, 2009

Sector Mix	% of Fund's Net Asset Value	Top 25 Issuers	% of Fund's Net Asset Value
Silver Bullion	98.3	Silver Bullion	98.3
Cash and Cash Equivalents	1.2	Cash and Cash Equivalents	1.2
Forward Contracts	0.5	Forward Currency Agreement	0.5
	100.0		100.0
		Total Net Asset Value	\$ 44,852,288

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

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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