



# Short-Term Treasury Portfolio

A FULL-SERVICE SHORT-TERM  
U.S. TREASURY SECURITIES FUND

## Portfolio Statistics

Maximum Sales Charge <sup>1</sup> :	No Load
Inception Date:	5-26-87
Symbol:	PRTBX
Cusip:	714199205
Current NAV Per Share:	\$66.45
Portfolio Manager:	Michael J. Cuggino
Minimum Initial Purchase:	\$1,000
Minimum Subsequent Purchase:	\$100
SEC Standardized 30-day Yield <sup>2</sup> :	
Subsidized (After Fee Waiver)	-.52%
Unsubsidized (Before Fee Waiver)	-1.02%
Expense Ratio <sup>*</sup> :	
Net (After Fee Waiver)	.73%
Gross (Before Fee Waiver)	1.23%

<sup>\*</sup> For the year ended January 31, 2011, as stated in our most recent prospectus, dated May 31, 2011. The Net Expense Ratio reflects a contractual waiver of investment advisory fees in effect for the year then ended. The Portfolio's investment adviser has agreed to continue the waiver at least through June 1, 2012.

## Other Portfolio Characteristics

Average Maturity:	89 Days
Average Duration <sup>3</sup> :	.24 Years
S & P Credit Quality <sup>4</sup> :	
U.S. Treasury (AA+)	100%

## Maturity Schedule

1 - 30 Days	2.03%
31 - 60 Days	40.97%
61 - 120 Days	19.10%
121 - 150 Days	18.95%
151 - 180 Days	18.95%

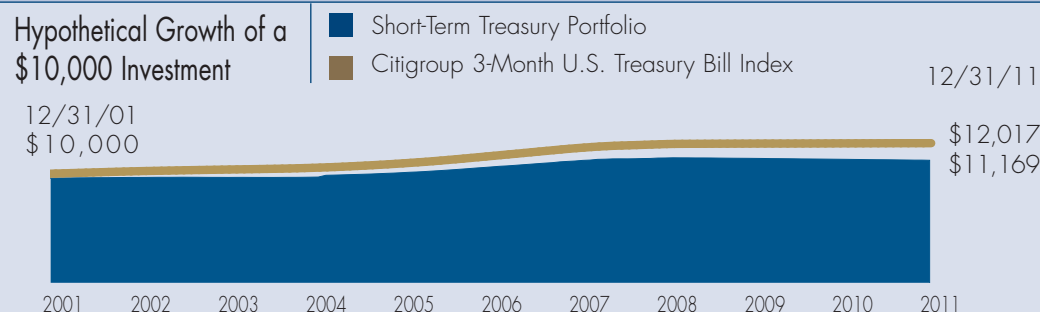
## Investment Objective

Seeks to earn high current income for the Portfolio, consistent with safety and liquidity of principal.

## Investment Strategy

The Portfolio invests at least 80% of its assets in short-term U.S. Treasury bills and notes. It also invests in U.S. Treasury bonds and notes having a remaining maturity of thirteen months or less. The Portfolio is not a money market fund and does not seek to maintain a stable net asset value per share. The Portfolio follows a dividend policy that permits (but does not assure) its net asset value per share to rise.

## Performance As of December 31, 2011



	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 5-26-87
<b>Short-Term Treasury Portfolio</b>						
Return Before Taxes	-.60%	-.60%	-.52%	.70%	1.11%	3.11%
Return After Taxes on Distributions	-.60%	-.60%	-.68%	.23%	.72%	2.39%
Return After Taxes on Distributions and Sale of Portfolio Shares	-.39%	-.39%	-.54%	.33%	.74%	2.28%
<i>Citigroup 3-Month U.S. Treasury Bill Index</i> (Reflects no deductions for fees, expenses or taxes)	.08%	.08%	.12%	1.36%	1.85%	3.97%

*Performance data quoted represents past performance. Past performance (before and after taxes) is not a guarantee of how the Portfolio will perform in the future. Investment returns and principal values of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The chart illustrates the performance of \$10,000 invested in Short-Term Treasury Portfolio shares ten years ago compared to performance of the Citigroup 3-Month U.S. Treasury Bill Index over the same period and does not reflect the deduction of taxes an investor would pay on Portfolio distributions or on the redemption of Portfolio shares. Returns for the Short-Term Treasury Portfolio reflect reinvestment of all dividends and distributions and deduction of all fees and expenses, except the \$35 one-time account start-up fee. If such start-up fee was reflected, returns would be less than shown. Investment performance, current to the most recent month-end, may be lower or higher than the performance quoted, and can be obtained by calling the Shareholder Services Office at (800) 531-5142. Pacific Heights Asset Management, LLC became the Short-Term Treasury Portfolio's investment adviser on May 1, 2003. Prior to that, an investment adviser unrelated to Pacific Heights Asset Management, LLC managed the Short-Term Treasury Portfolio. The Short-Term Treasury Portfolio's returns reflect voluntary fee waivers in effect. In the absence of such fee waivers, total returns would be reduced. The Citigroup 3-Month U.S. Treasury Bill Index tracks the performance of U.S. Treasury bills with a remaining maturity of three months. Returns shown for the Citigroup 3-Month U.S. Treasury Bill Index reflect reinvested interest as applicable, but do not reflect a deduction for fees, expenses or taxes. You cannot invest directly in an index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. In particular, after-tax returns are not relevant to investors who hold their shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.*

For more information, please visit [www.permanentportfoliofunds.com](http://www.permanentportfoliofunds.com) or

Over, please

**Individual Investors** may call our  
Shareholder Services Office at (800) 531-5142  
or our Transfer Agent at (800) 341-8900

**Financial Advisors** may call our  
Institutional Sales Office at (866) 792-6547

# Short-Term Treasury Portfolio

Consider the full-service Short-Term Treasury Portfolio for your investment in short-term U.S. Treasury securities

- 1 **Minimal Volatility.**  
 The Short-Term Treasury Portfolio invests only in short-term U.S. Treasury securities, whose repayment is guaranteed by the full faith and credit of the United States government. This guarantee applies only to the securities in which the Portfolio invests, not to the Portfolio's share price. Investments in debt securities typically decrease in value when interest rates rise. The Portfolio's share price will fluctuate due to changes in interest rates, market conditions and other factors.
- 2 **Liquidity.**  
 The Short-Term Treasury Portfolio allows you access to your investment at any time, for any reason, and in any amount. For complete liquidity, without any interest penalties for early withdrawal, you can use your Short-Term Treasury Portfolio account to replenish your bank checking account anytime you wish or as needed.
- 3 **Tax Planning.**  
 The Short-Term Treasury Portfolio is managed to reduce the tax burden on you, the investor. It does so by retaining its daily investment income, which permits the price of shares in the Portfolio to rise from day to day. The rise in share price is equal to the investment income that has been retained. Only the minimum is paid out once a year as per-share dividends in order for the Portfolio itself to qualify for favorable tax treatment available to investment companies.

## Management



**MICHAEL J. CUGGINO**  
 President and Portfolio Manager

Mr. Cuggino has served as the President and Portfolio Manager of Permanent Portfolio Family of Funds, Inc. and the Short-Term Treasury Portfolio since his investment advisory firm, Pacific Heights Asset Management, LLC, began managing the Fund on May 1, 2003. Mr. Cuggino has served as a director of the Fund since 1998, its Chairman of the Board and President since 2003 and its Secretary since 2006. From 1993 through 2007, Mr. Cuggino served as the Fund's Treasurer. Mr. Cuggino is a Certified Public Accountant and is a graduate of Bentley University.

## Fund

PERMANENT PORTFOLIO FAMILY OF FUNDS, INC.  
 600 Montgomery Street, Suite 4100  
 San Francisco, California 94111-2702  
 Phone: (415) 398-8000  
 Michael J. Cuggino  
 President

## Investment Adviser

PACIFIC HEIGHTS ASSET MANAGEMENT, LLC  
 600 Montgomery Street, Suite 4100  
 San Francisco, California 94111-2702  
 Phone: (415) 398-8000  
 Michael J. Cuggino  
 President and Chief Executive Officer

<sup>1</sup> While the Short-Term Treasury Portfolio is no load, there are management fees and operating expenses that do apply.

<sup>2</sup> The SEC standardized yield is based on a thirty-day (or one month) period and is computed by dividing the net investment income (i.e., dividends and interest earned during the period less expenses accrued for the period, net of reimbursements) per share earned during the period by the net asset value per share on the last day of the period, using the average number of shares outstanding during the period, deducting all fees and expenses except the S35 one-time account start-up fee, and then annualizing the result. Net and Subsidized Yields reflect voluntary fee waivers.

<sup>3</sup> Average Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Debt securities of longer duration tend to be more sensitive to interest rate changes, usually making them more volatile than shorter duration debt securities of comparable quality. When interest rates rise, prices of debt securities generally fall; when interest rates fall, prices of debt securities generally rise.

<sup>4</sup> S&P Credit Quality shows the dispersion of credit ratings assigned to the Short-Term Treasury Portfolio's holdings by Standard & Poor's, a division of The McGraw Hill Companies, Inc. The Standard & Poor's AAA rating is the highest rating assigned by Standard & Poor's to a debt security and indicates, in Standard & Poor's judgment, an extremely strong capacity of a debt security to timely pay principal and interest.

*The Short-Term Treasury Portfolio's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling (800) 531-5142, or by visiting our website at [www.permanentportfoliofunds.com](http://www.permanentportfoliofunds.com). Read it carefully before investing.*

*Mutual fund investing involves risk; loss of principal is possible.*

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