



# *VERSATILE BOND PORTFOLIO*

*INVESTOR GUIDE* | December 31, 2017

## Share Classes

|         | Ticker | Inception          |
|---------|--------|--------------------|
| Class A | PRVDX  | May 31, 2016       |
| Class C | PRVHX  | May 31, 2016       |
| Class I | PRVBX  | September 27, 1991 |

## Objective

Versatile Bond Portfolio seeks to earn high current income.

## Strategy

In pursuit of its investment objective, under normal market conditions the Portfolio invests at least 80% of its assets in bonds, which may include debt securities of all types and of any maturity. This provides the Portfolio with flexibility to invest in a wide range of bonds, take advantage of opportunities in the bond market, and thus may provide attractive returns to shareholders over the long term.

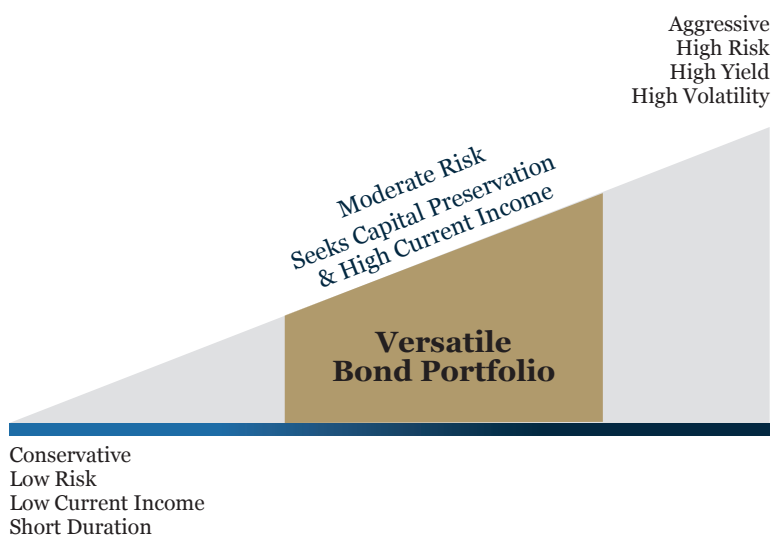
## Quick Facts

|                                   |                |
|-----------------------------------|----------------|
| Morningstar Category              | Corporate Bond |
| Net Assets (millions)             | \$6.654        |
| Correlation                       | .35            |
| Maximum Drawdown                  | -12.65         |
| Sharpe Ratio                      | .69            |
| Standard Deviation                | 4.89           |
| 30-Day SEC Standardized Yield:    |                |
| Class A: Unsubsidized, Subsidized | 2.00%, 2.39%   |
| Class C: Unsubsidized, Subsidized | 1.25%, 1.64%   |
| Class I: Unsubsidized, Subsidized | 2.24%, 2.63%   |

Benchmark is Barclay's Capital Global Aggregate (Excluding Securitized) Bond Index from June 1, 2012 through December 31, 2017.

## Reasons to Consider

*No Fixed Duration* — Versatile Bond Portfolio may invest in bonds with a range of maturities from short-term to long-term and does not attempt to maintain any pre-set average portfolio maturity or duration, but rather seeks to manage the Portfolio's duration based on the investment adviser's forecast of interest rates and assessment of general market risks.



*Flexible Management* — The Portfolio may invest in obligations of U.S. and non-U.S. issuers, including corporate bonds, convertible securities, preferred stock, commercial paper, securities issued or guaranteed by the U.S. government, its agencies or government-sponsored enterprises, similar obligations of non-U.S. government or supranational entities, bank obligations such as certificates of deposit, time deposits, bank notes and repurchase agreements. Such investments may be in “investment grade” or “below investment grade” bonds (“high yield” or “junk” bonds) and may be denominated in U.S. dollars or foreign currencies. Up to 50% of the Portfolio may be invested in bonds rated below investment grade at the time of investment.

## Average Annual Total Returns<sup>1</sup>

| (as of December 31, 2017)  | YTD    | 1 Year | 5 Years | 10 Years | 15 Years | Inception |
|--|--------|--------|---------|----------|----------|-----------|
| Class A (Load)   | -3.55% | -3.55% | -       | -        | -        | 1.78%     |
| Class A (No Load)  | .46%   | .46%   | -       | -        | -        | 4.43%     |
| Class C (Load)   | -1.25% | -1.25% | -       | -        | -        | 3.66%     |
| Class C (No Load)  | -.28%  | -.28%  | -       | -        | -        | 3.66%     |
| Class I  | .71%   | .71%   | 3.16%   | 2.64%    | 2.49%    | 3.44%     |
| Barclays Capital Global Aggregate (Excluding Securitized) Bond Index | 7.95%  | 7.95%  | .62%    | 3.01%    | 4.24%    | 5.48%     |
| Citigroup AAA/AA 1-3 Years Corporate Bond Index                      | 1.17%  | 1.17%  | .96%    | 2.01%    | 2.49%    | 4.42%     |
| Citigroup A 1-3 Years Corporate Bond Index                           | 1.57%  | 1.57%  | 1.37%   | 2.67%    | 2.98%    | 4.73%     |

## Expense Ratios

|                     | Class A | Class C | Class I |
|---------------------|---------|---------|---------|
| Gross Expense Ratio | 1.47%   | 2.22%   | 1.22%   |
| Net Expense Ratio   | 1.09%   | 1.84%   | .84%    |

For the year ended January 31, 2017, as stated in the Fund's statutory Prospectus, dated May 31, 2017. 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, 2018.

Inception Dates: Class A and Class C - May 31, 2016. Class I - September 27, 1991.

<sup>1</sup>Versatile Bond Portfolio changed its investment objective as of May 30, 2012. Average Annual Total Return from June 1, 2012 through December 31, 2017 is 3.58%.

*Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Investment performance, current to the most recent month-end, may be lower or higher than the performance quoted. It can be obtained by calling (800) 531-5142. Performance data shown with load reflects the Class A shares maximum sales charge of 4.00% and the Class C shares maximum deferred sales charge of 1.00%. Performance data shown as no load does not reflect the current maximum sales charges. Had the sales charge been included, the Portfolio's returns would be lower. All results are historical and assume the reinvestment of dividends and capital gains.*

Prior to May 30, 2012, Versatile Bond Portfolio was managed with a different investment objective and strategy. Returns prior to May 30, 2012 represent results under the prior investment strategy. Had the Portfolio been managed in accordance with the current investment objective and strategy, the results portrayed may be different.

Barclays Capital Global Aggregate (Excluding Securitized) Bond Index has characteristics relevant to the Portfolio's current investment strategies. The Citigroup AAA/AA 1-3 Years Corporate Bond Index and the Citigroup A 1-3 Years Corporate Bond Index have characteristics relevant to the Portfolio's investment strategies prior to May 30, 2012. Barclays Capital Global Aggregate (Excluding Securitized) Bond Index commenced on September 30, 2002. Returns presented, which include periods prior to September 30, 2002, are calculated using the return data of Barclays Capital Global Aggregate Bond Index through September 29, 2002 and the return data of Barclays Capital Global Aggregate (Excluding Securitized) Bond Index since September 30, 2002.

Barclays Capital Global Aggregate Bond Index is a market-capitalization weighted, broad-based securities index measuring the global investment grade fixed-rate debt markets. Barclays Capital Global Aggregate Bond Index measures a wide range of global government-related, treasury, corporate, and securitized fixed-income investments. Barclays Capital Global Aggregate (Excluding Securitized) Bond Index is a sub-index of Barclays Capital Global Aggregate Bond Index and excludes securitized fixed-income investments. Citigroup AAA/AA 1-3 Years Corporate Bond Index and Citigroup A 1-3 Years Corporate Bond Index are components of Citigroup Broad Investment-Grade (BIG) Bond Index, which is an unmanaged, capitalization-weighted index of investment-grade fixed-income securities and is generally considered representative of the U.S. Bond market. Returns shown for these indices reflect reinvested interest, dividends and other distributions as applicable, but do not reflect a deduction for fees, expenses or taxes. Indices are unmanaged and are not subject to fees and expenses. You cannot invest directly in an index.

## Portfolio Management



**Michael J. Cuggino**  
*President and Portfolio Manager*

Mr. Cuggino has served as the President and Portfolio Manager of Permanent Portfolio Family of Funds since his investment advisory firm, Pacific Heights Asset Management, LLC, began managing the Fund's four Portfolios on May 1, 2003. Mr. Cuggino has served as a trustee of the Fund since 1998, as its Chairman of the Board and President since 2003 and as its Secretary since 2006. From 1993 through 2007, Mr. Cuggino served as the Fund's Treasurer. Mr. Cuggino serves as the manager and sole trustee of the sole member (also as the President and Chief Executive Officer) of Pacific Heights since its founding in 2002.

Mr. Cuggino previously served in various accounting, auditing and taxation capacities at Ernst & Young LLP and one of its predecessor firms, Arthur Young & Company, from 1985 through 1991.

Mr. Cuggino is a Certified Public Accountant (inactive) and received his undergraduate degrees in accountancy and management from Bentley University.



**Derek D. Hyatt, CFA**  
*Senior Investment Analyst*

Mr. Hyatt has served as a Senior Investment Analyst at Pacific Heights Asset Management, LLC since 2010.

Prior to joining Pacific Heights, Mr. Hyatt served as a Senior Vice President, Fixed Income Sales at Jefferies & Company, Inc. from 2009 through 2010, as a Vice President, Middle Markets Fixed Income Sales at Merrill Lynch, Pierce, Fenner & Smith, Inc. from 1996 through 2009 and as an Associate, Institutional Sales at R.W. Pressprich & Company, Inc. from 1994 through 1996. Prior to that, Mr. Hyatt served as a Project Engineer at Orth-Rodgers & Associates, Inc., a civil engineering firm.

Mr. Hyatt received his undergraduate degree in industrial engineering from Lehigh University. He is a CFA Charterholder and a member of the CFA Society Boston.

*Versatile Bond Portfolio's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory Prospectus and Summary Prospectus contain this and other important information. They may be obtained by calling (800) 531-5142 or by visiting [permanentportfoliofunds.com](http://permanentportfoliofunds.com). Read carefully before investing.*

**Versatile Bond Portfolio's investments in debt securities typically decrease in value when interest rates rise. The risk is usually greater for longer-term debt securities. Investments in below investment grade bonds (also referred to as "high yield" or "junk" bonds) present a greater risk of loss to principal and interest than higher-rated securities. Investments in foreign securities involve greater volatility and political, economic and currency risks, and differences in accounting methods. These risks are greater in emerging markets. In addition, certain investments may be illiquid and may be difficult to purchase, sell, or value.**

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

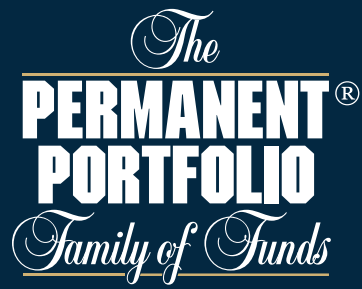
Correlation is a statistical measure of how two securities move in relation to each other. Maximum Drawdown is the maximum loss (compounded, not annualized) the manager ever incurred during any sub period of the entire period. Conceptually, the calculation looks at all sub periods of the time period in question and calculates the compound return of the manager over that period. Maximum Drawdown is the minimum of zero and all these compound returns. Sharpe Ratio is a risk-adjusted measure of return, which uses standard deviation to represent risk. Standard Deviation measures the average deviations of a return series from its mean and is often used as a measure of risk. A large deviation implies there have been large swings in the return series of the manager. 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 and then annualizing the result. Subsidized Yield reflects voluntary fee waiver.

Pacific Heights Asset Management, LLC ("Pacific Heights") is the investment adviser to Permanent Portfolio Family of Funds, a Delaware statutory trust ("Fund"). The Fund is distributed by Quasar Distributors, LLC ("Quasar"), a member of FINRA. Quasar is not affiliated with Pacific Heights.

Pacific Heights became the Fund's investment adviser on May 1, 2003. Prior to that, an investment adviser unrelated to Pacific Heights managed the Fund.

**Not FDIC Insured. No Bank Guarantee. May Lose Value.**

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For more information, contact us at:

(866) 792-6547 | Registered Investment Professionals

(800) 531-5142 | Individual Investors

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