



# Permanent Portfolio

A FUND for ALL SEASONS

## Portfolio Statistics

Maximum Sales Charge <sup>1</sup> :	No Load
Inception Date:	12-01-82
Symbol:	PRPFX
Cusip:	714199106
Current NAV Per Share:	\$37.42
Manager:	Michael J. Cuggino
Minimum Initial Purchase:	\$1,000
Minimum Subsequent Purchase:	\$100
Portfolio Turnover*:	7.28%
Expense Ratio*:	1.11%

\* For the year ended January 31, 2007, as stated in our most recent Prospectus.

## Portfolio Structure<sup>2</sup>

Gold	20%
Silver	5%
Swiss Franc Assets	10%
U.S. and Foreign Real Estate and Natural Resource Stocks	15%
Aggressive Growth Stocks	15%
U.S. Treasury Bills, Bonds and Other Dollar Assets	35%
	100%

## Top Ten Holdings

Cash and Cash Equivalents	16.30%
Gold Coins	15.12%
Gold Bullion	4.42%
Silver Bullion	3.81%
U.S. Treasury Bonds 9.00% 11-15-18	3.43%
U.S. Treasury Bonds 7.25% 5-15-16	3.02%
U.S. Treasury Bonds 6.25% 8-15-23	2.89%
U.S. Treasury Bonds 5.25% 11-15-28	2.64%
U.S. Treasury Bond Strips 5-15-18	1.58%
Swiss Confederation Bonds 4.25% 1-06-14	1.30%

The Portfolio's holdings are subject to change at any time and are not recommendations to buy or sell any security.

## Investment Objective

To preserve and increase the purchasing power value of its shares over the long term.

## Investment Strategy

The Portfolio invests a fixed Target Percentage of its net assets in gold, silver, Swiss franc assets, stocks of U.S. and foreign real estate and natural resource companies, aggressive growth stocks and dollar assets such as U.S. Treasury bills and bonds.

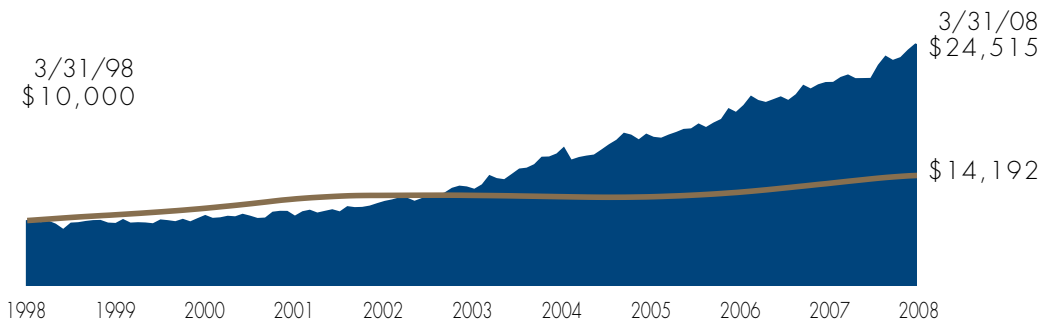
## Performance

As of March 31, 2008

	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 12-01-82
<b>Permanent Portfolio</b>						
Return Before Taxes	3.83%	13.81%	13.07%	14.18%	9.38%	6.80%
Return After Taxes (pre-liquidation)	3.83%	13.58%	12.84%	13.88%	8.71%	6.22%
Return After Taxes (post-liquidation)	2.49%	9.11%	11.20%	12.32%	7.92%	5.80%
<i>Citigroup 3-Month U.S. Treasury Bill Index</i>	.71%	4.19%	4.21%	3.03%	3.56%	5.22%

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, and can be obtained by calling the Shareholder Services Office at (800) 531-5142. As more fully described in the Fund's Annual Report to shareholders for the fiscal years ended January 31, 2005, January 31, 2007 and January 31, 2008, returns reflect other income related to the Fund's Board of Director's determination that previously advanced legal expenses be repaid and the Fund's receipt of disgorged funds, respectively. 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. The Citigroup 3-Month U.S. Treasury Bill Index tracks the performance of U.S. Treasury bills with a remaining maturity of three months. U.S. Treasury bills, which are short-term loans to the U.S. government, are full-faith-and-credit obligations of the U.S. Treasury and are generally regarded as being free of any risk of default. You cannot invest directly in an index. 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.

## Hypothetical Growth of a \$10,000 Investment



This chart illustrates the performance of a hypothetical \$10,000 investment in Permanent Portfolio shares made ten years ago and how it compares to the performance of the Citigroup 3-Month U.S. Treasury Bill Index over the same period. Assumes reinvestment of all dividends and capital gain distributions and deduction of all fees and expenses except the \$35 one-time account start-up fee. This chart is not intended to imply any future performance.

For More Information, Call our

Shareholder Services Office at (800) 531-5142

or our Transfer Agent at (800) 341-8900

or visit [www.permanentportfoliofunds.com](http://www.permanentportfoliofunds.com)

Over, please

# Permanent Portfolio

## Why you should consider the Permanent Portfolio

- 1 ■ **Purchasing Power and Growth.**  
 Designed as a core portfolio holding, the Permanent Portfolio seeks to preserve and increase the purchasing power value of each shareholder's account over the long term, regardless of current or future market conditions, through strategic investments in a broad array of different asset classes.
- 2 ■ **Comprehensive Asset Allocation.**  
 The Permanent Portfolio's investment philosophy is based on the premise that nobody can accurately predict future events over the long term. The Permanent Portfolio, therefore, doesn't try to out-guess the markets or forecast future economic events, but rather commits a fixed "Target Percentage" of its assets to six carefully chosen, diverse and "non-correlated" investment categories. Such diversification in a single mutual fund seeks to provide balance, liquidity and profit potential combined with the additional benefits of international diversification and tax planning.
- 3 ■ **Discipline.**  
 Since markets and economic circumstances are constantly changing, the percentage of the Permanent Portfolio's assets actually held in each investment category may drift from time to time from their respective Target Percentages. The Permanent Portfolio's management and its investment adviser continually monitor the Portfolio's investments for such conditions, adjusting whenever necessary to maintain the Portfolio's Target Percentages. As a result of these strategic adjustments, the Permanent Portfolio may gain from large, short-term fluctuations in investment prices - taking profits on investments that have risen in price - and may add to its holdings of investments that have fallen in value. Such strategic portfolio adjustments are necessary to provide the Permanent Portfolio with the ability to meet its investment objectives.
- 4 ■ **Tax Planning.**  
 The Permanent Portfolio is managed to reduce the tax burden on you, the investor. The Permanent Portfolio thus structures its investments with the overall goal of reducing taxes on its interest, dividends and capital gains, as well as plans its investment purchases and sales, whenever practical, to minimize taxable gains. In addition, the Portfolio reinvests its profits to achieve further gains and makes only the minimum taxable distributions required for it to qualify for the favorable tax treatment available to investment companies. All income and profits that are not distributed to you are added to the redemption value of your shares. Due to its investment philosophy, asset composition and tax-planning strategies, the Portfolio's management believes the Permanent Portfolio is an appropriate choice for both taxable and tax-deferred investment accounts, such as those in IRA, pension or other self-directed retirement plans.

### Management



**MICHAEL J. CUGGINO**  
 Portfolio Manager

- 23 Years of Professional Experience
- 17 Years with the Permanent Portfolio
- Certified Public Accountant

### Fund

**PERMANENT PORTFOLIO FAMILY OF FUNDS, INC.**  
 600 Montgomery Street, 27th Floor  
 San Francisco, California 94111-2702  
 Phone: (415) 398-8000  
 Michael J. Cuggino  
 President

### Investment Adviser

**PACIFIC HEIGHTS ASSET MANAGEMENT, LLC**  
 600 Montgomery Street, 27th Floor  
 San Francisco, California 94111-2702  
 Phone: (415) 398-8000  
 Michael J. Cuggino  
 President and Chief Executive Officer

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

<sup>2</sup> Portfolio Structure shows the Target Percentage for the Permanent Portfolio. The Portfolio buys and sells investments as needed to keep its actual holdings in line with the Target Percentages.

The Portfolio also invests in foreign securities which will involve greater volatility and political, economic and currency risks and differences in accounting methods. The Portfolio will be affected by changes in the prices of gold, silver and U.S. and foreign real estate and natural resource company stocks.

This information is authorized for use when preceded or accompanied by a prospectus for the Permanent Portfolio, which includes more complete information on the risks, fees and expenses related to an ongoing investment in the Portfolio. Please read the prospectus carefully before you invest or send money. Mutual fund investing involves risk; loss of principal is possible.

**Distributed by Quasar Distributors, LLC (4/08)**

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