

Treasury Bill Portfolio

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

Portfolio Statistics

Maximum Sales Charge ¹ :	No Load
Inception Date:	5-26-87
Symbol:	PRTBX
Cusip:	714199205
Current NAV Per Share:	\$67.77
Portfolio Manager:	Michael J. Cuggino
Minimum Initial Purchase:	\$1,000
Minimum Subsequent Purchase:	\$100
SEC Standardized 30-day Yield ² :	
Subsidized (After Fee Waiver)	-0.63%
Unsubsidized (Before Fee Waiver)	-1.13%
Expense Ratio [*] :	
Net (After Fee Waiver)	0.74%
Gross (Before Fee Waiver)	1.24%

* For the year ended January 31, 2009, as stated in our most recent prospectus, dated June 1, 2009, as amended July 27, 2009. The Net Expense Ratio reflects a voluntary waiver of investment advisory fees in effect for the year then ended. The Portfolio's investment adviser has assured the Portfolio that it intends to continue the waiver at least through the end of calendar year 2009.

Other Portfolio Characteristics

Average Maturity:	83 Days
Average Duration ³ :	0.23 Years
Average Credit Rating ⁴ :	AAA

Maturity Schedule

1 - 30 Days	2.27%
31 - 60 Days	42.39%
61 - 90 Days	21.23%
91 - 120 Days	19.16%
121 - 150 Days	14.95%

Investment Objective

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, 2009

Hypothetical Growth of a \$10,000 Investment

12/31/99
\$10,000



	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 5-26-87
Treasury Bill Portfolio						
Return Before Taxes	-0.44%	-0.44%	1.55%	2.31%	2.01%	3.44%
Return After Taxes on Distributions	-0.63%	-0.63%	0.86%	1.78%	1.33%	2.67%
Return After Taxes on Distributions and Sale of Portfolio Shares	-0.29%	-0.29%	0.92%	1.72%	1.33%	2.54%
Citigroup 3-Month U.S. Treasury Bill Index (Reflects no deductions for fees, expenses or taxes)						
	0.16%	0.16%	2.22%	2.88%	2.84%	4.32%

Performance shown in the chart and table above represents past performance and does not guarantee or imply any future performance or results. The chart illustrates the performance of \$10,000 invested in Treasury Bill 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 Treasury Bill 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 were reflected, returns would be less than shown. 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. 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. An investment in the Treasury Bill Portfolio is not guaranteed by the Federal Deposit Insurance Corporation or any Government agency. It is therefore possible to lose money by investing in the Treasury Bill Portfolio. Pacific Heights Asset Management, LLC became the Treasury Bill Portfolio's investment adviser on May 1, 2003. Prior to that, an investment adviser unrelated to Pacific Heights Asset Management, LLC managed the Treasury Bill Portfolio. As more fully described in the Fund's Annual Report to shareholders for the fiscal year ended January 31, 2005, returns reflect other income related to the Fund's Board of Director's determination that previously advanced legal expenses be repaid. The Treasury Bill Portfolio's returns reflect voluntary fee waivers in effect. In the absence of such fee waivers, total returns would be reduced. 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.

For more information, please visit 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
or our Distributor at (800) 236-4424

Treasury Bill Portfolio

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

- 1 **Minimal Volatility.**
 The Treasury Bill 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 Treasury Bill 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 Treasury Bill Portfolio account to replenish your bank checking account anytime you wish or as needed.
- 3 **Tax Planning.**
 The Treasury Bill 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 Treasury Bill 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, 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

¹ While the Treasury Bill Portfolio is no load, there are management fees and operating expenses that do apply.

² 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 \$35 one-time account start-up fee, and then annualizing the result. Net and Subsidized Yields reflect voluntary fee waivers.

³ 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.

⁴ Average Credit Rating is an indicator of credit risk calculated by taking the average of credit ratings assigned to the Treasury Bill 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 Treasury Bill 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. Read it carefully before investing.

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

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