

Parnassus Core Equity FundSM

Capital appreciation

Fourth Quarter 2017

All information, unless otherwise indicated, is as of 12/31/2017

Total % Returns

As of 12/31/2017	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 08/31/92
Parnassus Core Equity Fund - Investor Shares	5.52	16.58	16.58	8.58	14.45	9.70	10.74
S&P 500 Index	6.64	21.83	21.83	11.41	15.79	8.50	9.81
Russell 1000 Index	6.59	21.69	21.69	11.23	15.71	8.59	9.97

All returns greater than one year are annualized.

Strategy

The Parnassus Core Equity Fund invests with low turnover and high conviction in approximately 40 holdings. The Fund focuses on identifying companies with:

- Wide moats or strong competitive advantages that protect market share and profitability
- Relevancy over the long term, which provides a compounding growth component
- Quality management teams that will act in the best interests of shareholders
- Favorable three-year investment horizon

The Fund strives to outperform the S&P 500 Index on a risk-adjusted basis with a high active share. The Fund attempts to shield investors from losses during bear markets, while offering significant upside participation during bull markets.

Parnassus Overview

At Parnassus Investments, we invest responsibly to build wealth for our clients. We select businesses that we believe have increasingly relevant products or services, sustainable competitive advantages and quality management teams for our high conviction portfolios. Every investment we make must meet rigorous fundamental and environmental, social and governance (ESG) criteria.

¹The chart shows the growth of a hypothetical \$10,000 investment since inception and does not reflect the deduction of taxes a shareholder would pay on fund distributions or the redemption of fund shares.

^{2,4} Percent based on total net assets as of date indicated.

³ Top 10 holdings above are by issuer. 'Alphabet Inc.' represents Class A and Class C shares.

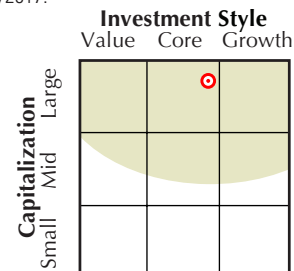
Risks The Fund's share price may change daily based on the value of its security holdings. Stock markets can be volatile, and stock values fluctuate in response to the asset levels of individual companies and in response to general U.S. and international market and economic conditions. In addition to large-cap companies, the Fund may invest in small- and/or mid-cap companies, which can be more volatile than large-cap firms. Security holdings in the fund can vary significantly from broad market indexes.

Performance data quoted represent past performance and are no guarantee of future returns. Current performance may be lower or higher than the performance data quoted, and most recent month end performance is available on the Parnassus website (www.parnassus.com). Investment return and principal will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original principal cost. The Standard &

OVERALL MORNINGSTAR RATINGTM



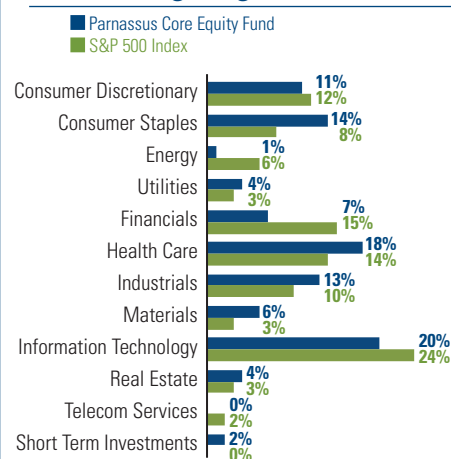
Overall rating out of 1,217 Large Blend funds as of 12/31/2017.



Ten Largest Holdings^{2,3}

Intel Corp.	5.4%
Danaher Corp.	5.3%
Praxair Inc.	4.9%
Gilead Sciences Inc.	4.7%
The Walt Disney Co.	4.3%
Alphabet Inc., CL C/Alphabet Inc., CL A.	4.3%
VF Corp.	4.0%
Wells Fargo & Co.	4.0%
Novartis AG (ADR)	3.4%
The Clorox Company	3.2%
Total	43.5%

Sector Weightings⁴



Poor's 500 Composite Stock Price Index (the S&P 500 Index) and the Russell 1000 Index are widely recognized indexes of common stock prices. An individual cannot invest directly in an index. An index reflects no deductions for fees, expenses or taxes. Prior to March 31, 1998, the Parnassus Core Equity Fund was a balanced fund. Returns shown for the fund do not reflect the declaration of taxes a shareholder would pay on the fund distributions or the redemption of fund shares.

The Parnassus Funds are underwritten and distributed by Parnassus Funds Distributor, a subsidiary of Parnassus Investments and a FINRA member.

Before investing, an investor should carefully consider the investment objectives, risks, charges and expenses of the fund and should carefully read the prospectus or summary prospectus, which contain this information. A prospectus or summary prospectus can be obtained on the website, www.parnassus.com, or by calling (800) 999-3505.

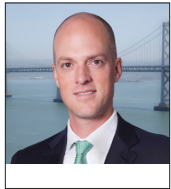
Portfolio Managers

Todd C. Ahlsten



- Chief Investment Officer, Portfolio Manager
- With firm since 1994
- Investment industry since 1994
- Portfolio Manager since 2001
- B.S., Business Administration, University of California, Berkeley 1994

Benjamin E. Allen



- President, Portfolio Manager
- With firm since 2005
- Investment industry since 1999
- Portfolio Manager since 2012
- M.B.A., University of California, Berkeley 2005
- B.A., Government, Georgetown University 1999

Average Weighted Market Cap is the average capitalization of all stocks in the portfolio, weighted by each holding's size in the portfolio. **Price/Earnings (P/E) Ratio** is a ratio of a stock's current price to its per-share earnings over the past 12 months. **Price/Book (P/B) Ratio** is the ratio of a stock's latest closing price divided by its book value per share. **Alpha** is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. A beta over 1.00 suggests that the share price will typically be more volatile than the market. **R-Squared** is a measurement of how closely the portfolio's performance correlates with the performance of a benchmark index such as the S&P 500 Index. **Standard Deviation** is a calculation used to measure variability (risk) of a portfolio's performance. **Sharpe Ratio** is a ratio used to measure risk-adjusted performance. It is calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. **Active Share** measures the percentage amount your portfolio differs from a passive benchmark.

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Fund Facts

	Investor Shares	Institutional Shares
Ticker	PRBLX	PRILX
Minimum Investment	\$2,000	\$100,000
Gross Expense Ratio	0.87%	0.66%
Net Expense Ratio	0.87%	0.66%
Inception Date	08/31/1992	04/28/2006
Distribution Frequency	Quarterly	
Total Net Assets	\$16,115.2MM	

Expenses based on total net assets, net of reimbursement.

Fund Characteristics

	Fund	S&P 500 Index
Ave Weighted Mkt Cap (\$Bn)	\$128.1	\$196.7
P/E Ratio	22.5x	23.2x
P/B Ratio	3.8x	3.2x
Active Share	86.5%	-
Number of Holdings	37	505
Portfolio Turnover (2017 Annual)	24.5%	-
SEC 30-Day Yield (Investor) ¹	1.05%	-

¹The 30-Day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days.

Fund Statistics (5 year)

	Investor Shares	S&P 500 Index
Alpha	0.25%	-
Beta	0.90	1.00
R-squared	0.90	1.00
Sharpe Ratio	1.58	1.65
Standard Deviation	9.06%	9.49%

The Morningstar RatingTM for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Parnassus Core Equity Fund was rated against the following numbers of Large Blend Funds over the following time periods: 1,217 funds in the last three years, 1,079 funds in the last five years, and 800 funds in the last ten years. Past performance is no guarantee of future results. Morningstar Rating is for the Investor class only; other classes may have different performance characteristics.

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